Annual Report

2017



Northern General Insurance Co. Ltd.

(A KEY TO PROTECTION)

Head Office : WW Tower, 68 Motijheel C/A (Level 12 & 13), Dhaka-1000, Bangladesh **Phone :**(+880-2-) 955 9077-79, 57164389, 47110160, **Fax :** (+880-2-) 9551579, **Email :** info@ngicl.com

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নর্দার্ণ জেনারেল ইন্স্যুরেন্স কোঃ লিঃ
Northern General Insurance Co. Ltd.
(A KEY TO PROTECTION)

Notice of the 22nd Annual General Meeting

Notice is hereby given that the **22nd Annual General Meeting** of the honorable shareholders of Northern General Insurance Company Limited will be held on **Thursday, June 21, 2018** at **10:00 A.M.** at **Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka-1000** to transact the following business:

AGENDA

1. **Report and Accounts**
   To receive, consider and adopt the Audited Financial Statements and the Report of the Directors and Auditors of the Company for the year ended 31st December, 2017.

2. **Dividends**
   To declare and approve dividend for the year 2017 as recommended by the Board of Directors.

3. **Election/Re-election of Directors**
   To elect Directors who are retiring in terms of the relevant provision of the Articles of Association of the company.

4. **Appointment of Auditor (s)**
   To consider appointment of Auditor (s) for the year 2018 and to fix their remuneration.

5. **Appointment / Reappointment of Independent Director**
   To consider post facto approval of appointment / reappointment of Indpendent Director.

By order of the Board of Directors

Dated, Dhaka
May 21, 2018

Sd/-
(Sujit Kumar Dey FCA)
Deputy Managing Director &
Company Secretary

Notes:

a) Members whose name appear on the Member / Depository Register on the "Record Date" i.e., May 23, 2018 shall be eligible to attend the 22nd Annual General Meeting and receive dividend.

b) Members are requested to update their Bank Accounts, Address, Contact Numbers, E-TIN etc. through their respective depository participants (DP) before the Record Date.

c) Any member of the company entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy must be a member of the company.

d) The instrument appointing a proxy duly stamped and signed by the member must be submitted to the Registered Office of the Company not less than **48 hours** before the time fixed for the meeting.

e) For registration in the meeting, production of attendance slip is required.

f) The shareholders are requested to register their names in the counter at the entrance of the AGM venue from 8:00 A.M. to 10:15 A.M. on June 21, 2018. No entry will be recorded before 8:00 A.M. and after 10:15 A. M. on the scheduled meeting date.

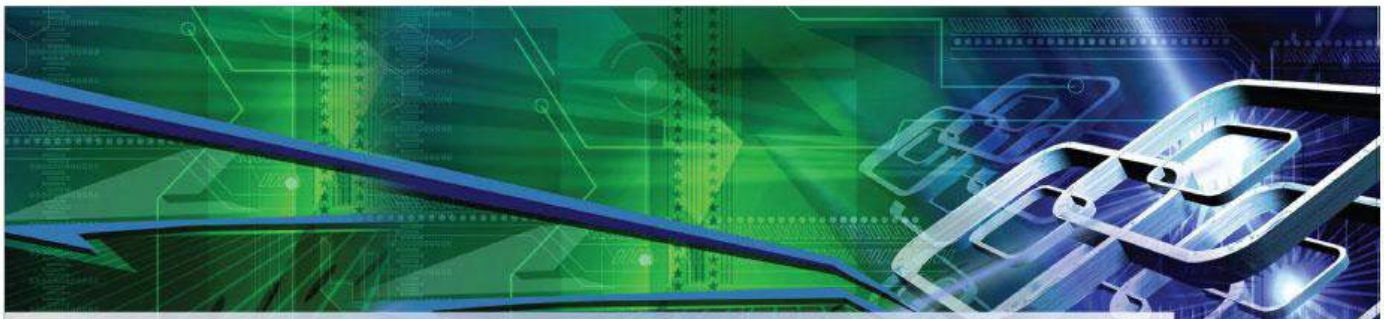
g) Entry to the AGM is reserved only for shareholders or his/her proxy on production of the attendance slip or proxy form to attend the meeting.

h) **No Gift/Gift Coupon/Benefit in cash or kind,** other than in the form of dividend shall be offered/paid to the shareholders in the 22nd AGM in compliance with the circular No. BSEC/CMRRCD/2009-193/154 dated 24 October, 2013 of Bangladesh Securities and Exchange Commission.



Corporate Information

Name of the Company	**Northern General Insurance Company Limited**
Legal Form	A Public Limited Company Incorporated in Bangladesh under the Companies Act 1994 from Registrar of Joint Stock Companies & Firms and Registered with Department of Insurance, Govt. of the People's Republic of Bangladesh (Insurance Development & Regulatory Authority).
Nature of Business	Non Life Insurance Business
Auditors	M/S Rahman Mostafa Alam & Co. Chartered Accountants Paramount Heights (7th Floor-D2 & C1), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka – 1000.
Contacts	Telephone : (+880-2) 955 9077-79, 57164389, 4711 0160 Fax : (+880-2-) 9551579 Email : info@ngicl.com Website : www.ngicl.com
Legal Advisor	M.A. Hannan & Counsels Consultants In Law Apartment 6-B, Level-6, Unique Heights 117, Kazi Nazrul Islam Avenue, Dhaka
Tax Advisor	ADN Associates Rupayan Karim Tower, A(II) 80, Kakrail, Dhaka-1000, Bangladesh
Principal Bankers	Standard Chartered Bank AB Bank Ltd. First Security Islami Bank Ltd. Southeast Bank Ltd. Shahjalal Islami Bank Ltd. Al-Arafah Islami Bank Limited Islami Bank Bangladesh Ltd. Social Islami Bank Ltd. Union Bank Ltd. NRB Global Bank Ltd.



Corporate Milestones

Incorporation of the Company	:	April 08,1996
Commencement of Business	:	April 08,1996
First Board Meeting	:	March 25,1996
Registered with the Department of Insurance	:	May 25,1996
Authorized Capital (in Tk.)	:	Tk. 1,000,000,000.00
Issued, Subscribed & Paid up capital	:	Tk. 42,65,96,110.00
Number of Share Issued	:	4,26,59,611 Shares
Face Value (Per Share)	:	Tk.10.00
Applied for Listing with DSE	:	July 16, 2008
Applied for Listing with CSE	:	July 16, 2008
First Trading of shares on DSE	:	November 25, 2008
First Trading of shares on CSE	:	November 25, 2008
Net Asset value per share	:	Tk. 19.44
Price Earning Ratio (as on 28-12-2017)	:	DSE-Tk. 14.60, CSE-Tk. 14.11
Market Price (as on 28-12-2017)	:	DSE Tk. 23.80, CSE Tk. 23.00
Year Wise Dividend Declaration	:	12.50% (Cash Dividend) 2007, 15% (Bonus) 2008, 15% (Bonus) 2009, 12% (Bonus) 2010, 15% (Bonus) 2011, 12% ((Bonus) 2012, 10% (Bonus) 2013 10% (Bonus) 2014, 12% (Bonus) 2015, 10%(Bonus) 2016, 10% (Cash Dividend) 2017
Distribution of 10% stock dividend in respect of financial year ended 31st December, 2016		Record date: May 18, 2017
		Allotment date: July 13, 2017
21st Annual General Meeting		Notice date: May 17, 2017
21st Annual General Meeting		Held on: June 15, 2017

FINANCIAL CALENDAR

	Submission Date
Audited Financial Statement for the 31 December, 2016	May 14, 2017
Unaudited Financial Statement for the 1st quarter ended 31 March, 2017	April 25, 2017
Unaudited Financial Statement for the 2nd quarter and half year ended 30 June, 2017	July 26, 2017
Unaudited Financial Statement for the 3rd quarter ended 30 September 2017	October 09, 2017



Vision, Mission & Objectives

Our Vision

To be the market leader as strong and dynamic non-life insurer in providing integrated insurance service with special focus on prompt claim settlement.

Our Mission

- Enhance profitability through customer's satisfaction.
- Create shareholders value.
- Progress Employer's Commitment to excellence.

Objectives

- To meet the customers demand with our all out effort.
- To ensure the maximum protection of investment of our shareholders.
- To provide secured employment environment.
- To maintain high level of ethical standard.
- To develop corporate culture and good governance for us and all around us.
- To maintain the transparency in disclosures.

Products and Services



Fire Insurance

- Fire Insurance (including Allied Perils)
- Industrial All Risks (IAR)

Marine Cargo Insurance

- Transit by Steamer or Powered Vessel
- Transit by Rail/Lorry/Truck
- Transit by Inland Rail or Road Conveyance
- Transit by Air Cargo
- Transit by Inland Cargoes (Water Borne)

Marine Hull Insurance (TLO)

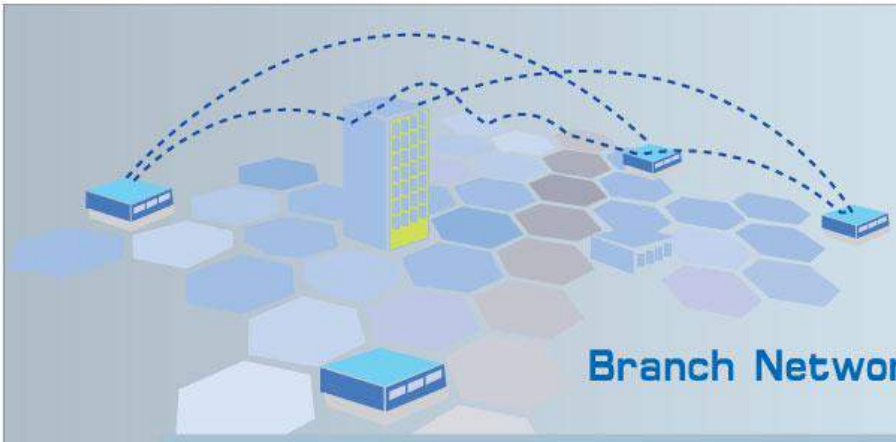
- Total Loss Only (TLO)
- Comprehensive

Motor Insurance

- Commercial Vehicle
- Private Vehicle
- Motor Cycle/ Scooter

Miscellaneous

- Burglary & House Breaking Insurance
- Cash in Safe
- Cash in Transit
- Cash on Counter
- Cash in Premises
- Contractors' All Risk(CAR)
- Erection All Risks (EAR)
- Engineering Insurance
  - Boiler and Pressure Vessel Insurance (BPV)
  - Machinery Breakdown Policy (MBD)
  - Deterioration of stock in cold storage Policy (DOS)
  - Electronic Equipment Insurance (EEI)
  - Lift Insurance Policy
- Fidelity Guarantee Insurance
- People Personal Accident (PPA)
- Performance Bond Insurance
- Third Party Liability Policy
- Workmen's Compensation Policy
- Personal Accident Policy (PA)
- Business Interruption Policy
- Public Liability Policy
- Overseas Medi claim and Holiday Insurance including study and employment

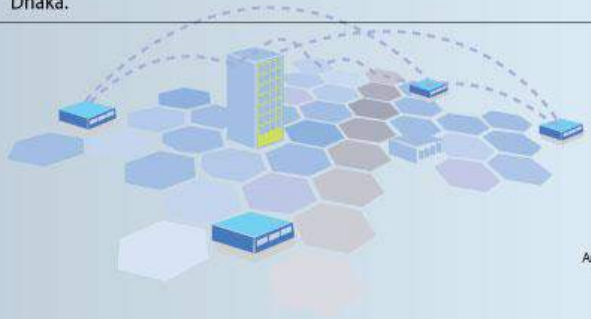


Branch Network

Branch Name	Address	Phone/Fax/Mobile
Agrabad Branch	Sattar Chamber (4th floor) 99, Agrabad C/A, Chattogram	Tel : 031-716032, 031-716031 Mobile : 01819-321297
Anderkilla Branch	A.N Tower (5th Floor), 23, Anderkilla, Boxirbit Teribazar, Chattogram	Tel: 031-620092-3 Mobile: 01819179290 01924159000
Bangshal Branch	230 North South Road (3rd floor), Dhaka	Tel: 02-47116843 Mobile : 01819-271092
B.B. Avenue Branch	29 B.B. Avenue (1st floor), Dhaka-1000	Tel: 02-9558011, Fax: 02-9569598 Mobile : 01511 850550
Comilla Branch	Hira Mansion (3rd floor), Ramghat, Kandirpar, Comilla	Tel : 081-67813 Mobile : 01711 107137
Dilkusha Branch	Zaman Court, (8th Floor), 45 Dilkusha, C/A, Dhaka-1000	Tel : 02-9551805, Fax : 02-7168656 Mobile : 01911 350774
Elephant Road Branch	299 Elephant Road (5th floor) Dhaka	Tel : 02-9660746, 02-8616145 Mobile : 01718 964799
Gazipur Branch	Tangail Road, Near Brac Bank & NCC Bank Ltd. Chandana, Chourasta,Gazipur	Tel : 02- 49263672 Mobile : 01711-317698
Hatkhola Branch	Property Heights (2nd Floor), 12, R.K. Mission Road, Dhaka	Tel : 02-9563635 Mobile : 01819-468690
Jubilee Road Branch	44, Jubilee Road, Enayet Bazar, Chattogram	Tel : 031-615611, Fax : 031-630327 Mobile : 01819-385413
Kadamtoli Branch	1336/A, D.T. Road, (1st Floor) Kadamtoli, Chattogram	Tel : 031-716125, 718495 Mobile : 01819-311430
Khatungonj Branch	279 Khatungonj, Noor Market, Chattogram	Tel : 031-622426, Fax : 031-622425 Mobile : 01817-748474
Kawran Bazar Branch	57/E (1st Floor), Kazi Nazrul Islam Avenue, Dhaka	Tel : 02-9125864, Fax : 02-9124511 Mobile : 01819 199170
Kakrail Branch	50/D, VIP Road (1st Floor) Naya Palton, Dhaka-1000	Tel : 02-9346686 Mobile : 01913 464031

Branch Network

Branch Name	Address	Phone/Fax/Mobile
Local Office	Motijheel Square (7th floor), 1/B, D.I.T. Avenue, Motijheel C/A, Dainik Banglar Moor, Dhaka-1000	Tel : 02-47114932, 9571555 Mobile : 01925-769092
Motijheel Branch	Bhuiyan Mansion (2nd floor), 6 Motijheel C/A, Dhaka	Tel :02-9559702, Fax : 02-7121197 Mobile : 01711-107651
Mogh Bazar Branch	4, Shahid Tajuddin Saroni (4th floor), Boro Moghbazar, Dhaka-1217	Tel : 02-9330450 Mobile : 01730-452819
Mohakhali Branch	H-4 (2nd floor), International Airport Road, Mohakhali C/A, Dhaka	Tel : 02-9886790, Fax : 02-9890498 Mobile : 01713-038195
Narayangonj Branch	Fazar Ali Trade Centre (4th floor), 78, B.B. Road, Narayangonj	Tel : 02-7631963 Mobile : 01816-338372
Paltan Branch	Chowdhury Compelx (2nd Floor), Suite-01, 15, Purana Paltan, Dhaka-1000	Tel : 02-9513173, Fax : 02-9513258 Mobile : 01711-136580
Shantinagar Branch	Shaan Tower (4th floor), 24/1 Chamelibag, Dhaka	Tel : 02-9338037
Sk. Mujib Road Branch	Progressive Tower (2nd floor), 1837, SK. Mujib Road, Badamtoli, Agrabad, C/A, Chattogram	Tel : 031-2517832, Fax: 031-2517834 Mobile : 01716 524778
Imamgonj Branch	AGI Business Centre (7th Floor) 81/B-1, Hosni Dalan Road, Chankharpul, Dhaka.	Tel: 57301173, 57300725 Contact No. 01871 210100
Principal Branch	204, Syad Nazrul Islam Sarani, Bijoy Nagar, Aziz Co-Operative Motor Parts Market (2nd Floor), Dhaka.	Tel: 9513627-28 Mobile No. : 019122 46526





Corporate Structure

Board of Directors

Chairman
Mr. Abdul Matin

Vice Chairman
Mr. Mohammad Azam

Directors
Alhaj Abdus Samad
Alhaj Nasiruddin
Mr. S. M. Ayub Ali Chowdhury
Mr. Md. Sarwar Salim
Mrs. Ferdousi Islam
Alhaj Md. Saiful Alam
Mr. Mortuza Siddique Chowdhury
Mr. Shahriar Khaled
Barrister Faysal Ahmed Patwary
Ms. Thamina Rahman
Mr. Mohammed Shafiul Azam

Independent Director
Prof. Dr. Zainab Begum
Mr. Mohammad Rafique

Chief Executive Officer
Mr. Abdul Haque FCA

Company Secretary
Mr. Sujit Kumar Dey FCA

Executive Committee
Chairman
Barrister Faysal Ahmed Patwary

Claims Committee
Chairman
Alhaj Nasiruddin

Audit Committee
Chairman
Prof. Dr. Zainab Begum

Manpower Review Committee
Convener
Mr. Md. Sarwar Salim

Introducing the Directors

Board of Directors and their Profile



Mr. Abdul Matin
Chairman, BOD

Mr. Abdul Matin was elected as the Chairman of Northern General Insurance Company Limited in the 181st Meeting of the Board of Directors held on June 15, 2017. He is holding the status of Chairman of the company during the last 2 years. He is one of the Sponsor Directors of Northern General Insurance Company Ltd. He did his diploma in Textile Chemistry and BSC in Textile (USA). Prior to his present position, he is associated with a good number of business in Manufacturing, Insurance and Medical Service holding capacity of Chairman, Managing Director & Director which has been listed in the page no. 84. He is a widely travelled person and involved in many social activities.



Mr. Mohammad Azam
Vice Chairman, BOD

Mr. Mohammad Azam is a renowned businessman of the country. He is the Director and Vice Chairman of the Board of Directors of Northern General Insurance Company Ltd. He has a long experience in the various fields of businesses and associated with a number of entities which is listed in the page no. 84. He is attached with many social and charitable organizations.

Board of Directors and their Profile



Alhaj Abdus Samad
Director, BOD

Alhaj Abdus Samad is a renowned entrepreneur of the country. He is the Chairman of the Board of Director of Al-Arafah Islami Bank Ltd. and Vice chairman of S. Alam Group. He accomplished his graduation in business administration from Panjab University Chandrighar, India. He has versatile & diversified business affiliation and keen perception in Banking, Leasing, Merchant Banking, Manufacturing, Shipping, Power Plant, Transportation, Properties, Electronic Media and Trading business holding the capacity of Chairman, Vice Chairman, Managing Director and Director which is listed in the page no. 85. He is very much active using his tremendous leadership to progress and development of the insurance sector. He travelled the SAARC countries, USA, UK, Canada, Brazil, Japan, China, Malaysia, Singapore, Thailand and several countries on business trips on different accession including Conference, Seminar, Symposium etc. He is involved in many social and charitable organizations.



Alhaj Nasiruddin
Director, BOD &
Chairman of Claims Committee

Alhaj Nasiruddin is a Sponsor Director and former Chairman of Board of Directors of Northern General Insurance Company Limited. As a versatile business personality, he is engaged with a number of company in the areas of Insurance, Trading and Indenting sector, listed in the page no. 84, where he got interest in the capacity of Managing Director. He is deeply involved with various educational, many socio cultural activities and charitable organizations. He is a widely travelled person across the globe on business trips.



Mr. S. M. Ayub Ali Chowdhury
Director, BOD

Mr. S. M. Ayub Ali Chowdhury is a Director and a former Chairman of the Board of Directors of Northern General Insurance Company Limited. As a versatile business personality he is actively associated with the business of Manufacturing, Pharmaceutical sector listed in the page no. 84, where he got interest in the capacity of Chairman. He is also involved in many social activities and he is a widely travelled person across the globe on business trips.

Board of Directors and their Profile



Mr. Md. Sarwar Salim
Director, BOD &
Convener, Manpower Review Committee

Mr. Md. Sarwar Salim is a Director and a former Vice Chairman of the Board of Directors. He is a renowned business personality and accomplished his M. Com in Accounting. He is a highly proficient personality in the field of banking sector alongwith Multinational Banking sector with the managerial capacity. He is involved in diverse area of business like Manufacturing, International Trading and property business holding the capacity of Managing Director & Director which has been listed in the page no. 84. He is widely travelled person across the globe on business trips and involved in many social and charitable activities.



Mrs. Ferdousi Islam
Director, BOD

Mrs. Ferdousi Islam member of Board of Directors of Northern General Insurance Company Limited is a renowned business personality of the country. As a dynamic and visionary lady she is involved with a good number of business entities holding the capacity of Chairman, Managing Director & Director in the various field of business listed in the page no. 84. She is deeply involved in many social activities and is a widely travelled person across the globe.



Alhaj Md. Saiful Alam
Director, BOD

Alhaj Md. Saiful Alam, Director of Northern General Insurance Company Limited is a renowned Entrepreneur of the Country. He is the Chairman of S. Alam Group and First Security Islami Bank Ltd.. Besides, he has built up a reputation as an astute and efficient business personality and achieved a remarkable success in a good number of business entities engaged in Banking, Leasing, Merchant Banking, Shipping, Manufacturing, Power Plant, Transportation, Properties, Electronic Media & Trading Business holding the capacity of Chairman & Managing Director which is listed in the page no. 86. Apart from all these, he is associated with a number of Social, Sports, Cultural and Religious Organizations.

Board of Directors and their Profile



Mr. Mortuza Siddique Chowdhury
Director, BOD

Mr. Mortuza Siddique Chowdhury is a member of Board of Directors of Northern General Insurance Company Ltd. He is renowned business personality in the country. He has a long business experience like Banking, Leasing, Media Communication, Service sector and Trading sector holding the capacity of Chairman, Vice Chairman and Director listed in the page no. 86. He is involved with many social activities and he is a widely travelled person.



Mr. Shahriar Khaled
Director, BOD

Mr. Shahriar Khaled is a Director of Northern General Insurance Company Limited. He is a young and hard working business personality of the country. He is involved in the diverse area of business holding the capacity of Director listed in the page no. 85. He is also deeply involved in many social and charitable activities and known as a widely travelled person.



Barrister Faysal Ahmed Patwary
Director, BOD & Chairman
of Executive Committee

Barrister Faysal Ahmed Patwary is a Director of Northern General Insurance Co. Ltd. He is a dynamic and young business personality. After completion his Bar-at-Law, he engaged himself with business activities in different areas with several sector holding the capacity of Director which is listed in the page no. 84. He is devoted himself in the development of the insurance business. He is a widely travelled person and visited the SAARC Countries, USA and several European countries on business trips.

Board of Directors and their Profile



Ms. Thamina Rahman
Director, BOD

Ms. Thamina Rahman is a young and promising business woman and she is devoted herself to business activity at Chittagong. She is involved in many social, cultural activities and devoted herself in social welfare works. She is a widely travelled person.



Mr. Md. Shafiul Azam
Director, BOD

Mr. Md. Shafiul Azam is a young and promising entrepreneur of the country. After completion of his graduation in Business Administration from University of Canberra, Australia, he started his business career in diverse area like Manufacturing, Properties, International Trading etc holding the capacity of Director listed in the page no. 84. Mr. Md. Shafiul Azam is a widely traveled person across the globe.

Board of Directors and their Profile



Prof. Dr. Zainab Begum
Independent Director and
Chairman of Audit Committee

Prof. Dr. Zainab Begum is an Independent Director of Northern General Insurance Company Limited. She is a retired Joint Secretary of government of the People's of Republic of Bangladesh, Bangladesh Secretariat. She has 35 years experience in different Ministries of Bangladesh Govt. for policy making as senior ranking Government officer. She obtained her M. Sc. From University of Dhaka and completed her P.H.D from University De Clermontferrand, France, She got various training in different organizations like UGC, UNESCO, NAEM, Dhaka, SAARC, BIAM Dhaka, RDCD of Division of LGRD Ministry. She is a widely traveled person across the globe on official trips on different occasions including attending high level international conference, Seminar, Symposium etc.



Mohammad Rafique
Independent Director

Mr. Mohammad Rafique was appointed to the Board of Northern General Insurance Company Limited on 23 September, 2014 as Independent Director. He had completed his MSS in Economics from Chittagong University. He is the Proprietor of M. M. Corporation.



Management Team

Managing Director & CEO
Mr. Abdul Haque FCA

Deputy Managing Director
Mr. Sujit Kumar Dey FCA
(CFO & Company Secretary)
Mr. Md. Raihan Ferdous
Mr. Md. Mahbubul Haque
Mr. Md. Mustafizur Rahman
Mr. Md. Lutful Alam
Mr. Md. Masud Rana
Mr. Md. Zahir Uddin Babur

Assistant Managing Director
Mr. S. M. Ahsanul Hoque
Mr. Md. Abdul Haque Chowdhury
Mr. Chowdhury Golam Faruque
Mr. Golam Haider Chowdhury
Mr. Kazi Mizanur Rahman

Sr. Executive Vice President
Mr. Mohammed Salim
Mr. Md. Rafiqul Islam
Mr. Md. Nazmul Huda
Mr. Md. Azazul Islam

Executive Vice President
Mr. Khokan Chandra Sarkar
Mr.Md. Shahidul Hoque

Sr. Vice President
Mr. Md. Aminul Islam

Vice President
Mr. Babul Mitra
Mr. Md. Waliullah Sikder
Mr. M. H. Galib
Mr. A. S. M. Sajjadul Islam Chowdhury
Mr. Md. Shahadat Hossain

Senior Assistant Vice President
Mr. Mohammed Saifur Rahman
(Head of Internal Audit)
Mr. Tofael Ahmed Bhuya
Mr. Md. Nazmul Karim
Mrs. Fazilatun Nesa Rimi

Assistant Vice President
Mr. Md. Abul Hasanat
Mr. Md. Mostafa Jamal Masud
Mr. Mohammed Jahangir Alam
Mr. Md. Shakhawat Hossain

Jt. Assistant Vice President
Mr. Md. Shamsul Alam
Mr. Md. Hafiz Ullah
Mrs. Shikha Rani Datta, ACS
Mr. Biddut Kumar Samadder
Mr. Md. Moniruzzaman
Mr. Md. Mafizur Rahman

Pictorial



21st AGM held on June 15, 2017



Shareholder's at 21st AGM



Half yearly Branch Managers' Conference-2017

Pictorial



22nd Branch Managers' Conference-2018



Celebrating Cultural Program at Cox's Bazar on the Occasion of the Branch Managers' conference, 2018



Board of Directors Meeting, 2018

Chairman's Address



Chairman's Address

Bismillahir Rahmanir Rahim

Distinguished Shareholders,

Assalamu Alaikum,

I would like to convey my heartiest gratitude and felicitations on behalf of the Board of Directors for your continued support & Co-operation throughout the year which helped us to accomplish strong footing in the business arena. It is a great delight for me to welcome you all to the 22nd Annual General Meeting of Northern General Insurance Company Limited and I am pleased to place the company's Audited Financial Statements for the year ended 31st December 2017 for your consideration.

Global growth is expected to be sustained over the next couple of years and even accelerate somewhat in emerging market and developing economics thanks to a rebound in commodity exporters. Under difficult circumstance of insurance sector which prevailed in the country still persist during the year, adversely affecting the economic activities, the company was able to maintain its momentum and achieve 13.18% growth in business in 2017. During the year 2017, gross premium income was Tk. 422.60 million against Tk. 373.38 million in 2016. The net profit after tax rose to Tk. 69.42 million showing increase of 4.85% over the preceding year and total asset stood at BDT 1,282.29 million as at 31st December, 2017.

I am very pleased to inform you that the Board of Directors has recommended 10% cash dividend for the year 2017. This recommendation is based on our objective of monitoring for sustaining growth of the company. We are confident to maintain the strong performance based on our financial strength and on our competitive advantages. The company continues to strive to develop a well balanced business portfolio which is not overly dependent on any particular type of business or client. The company is working its business portfolio by advocating for medium and smaller clients, thus achieving a desirable spread of business fundamental to the growth of insurance industry.

We have always emphasized on professionalism and the company is in the hands of highly qualified personnel, who have rendered dedicated services over the years and moved the company forward to where it is now. Development of proper human resources is one of the priorities of the company to maintain its ability to provide services of the highest quality to its clients and thus edge over its competitors. In these days of information technology, the company is equally attentive to this area and has expanded its existing network services to the fullest extent.

Northern General Insurance Company Limited views sound Corporate Governance as a critical factor in ensuring organizational integrity and efficiency creating long term value for shareholders. We aspire to the highest standards of ethical conduct and best practices in reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern our business in different jurisdiction.

With its impressive track record, we are very much confident that the company is poised to accept challenges of the future, capitalize on opportunities arising and maintain its momentum in growth of business and profitability in the year to come. We are most obliged and appreciative of the continued support from our clients & shareholders and would look forward to continuation of the same. In particular, I would like to thank all scheduled banks & non banking financial institutions with whom we have extensive dealings, prime regulator IDRA, Stock Exchange of Dhaka & Chittagong, CDBL, BSEC, Sadharan Bima Corporation and other government bodies for their continued co-operation and support.

I wish to thank the members of the Board of Directors for their valuable advice and guidance which made your company in a desirable position within the insurance industry. The management team and the staff worked very hard to take the company forward and in delivering excellent result. I would like to record our deepest appreciation of their dedicated & unflinching services and convey our thanks to all of them.
May Allah bless all of us.



Abdul Matin
Chairman

Chief Executive Officer's Review



Chief Executive Officer's Review

Bismillahir Rahmanir Rahim

Assalamu Alaikum,

I feel proud as Managing Director and Chief Executive Officer of Northern General Insurance Company Limited and express my heart felt thanks & profound gratitude to you for your kind presence in the 22nd Annual General Meeting of the company.

The company has been protecting the interest of policy holders since 1996 in spite of different crisis within the country. It has been maintaining a difference since inception in terms of its operational excellence, unique customers focus, risk management, IT Solution, new business development, implementation of standard operating procedures, training and continuous education of a pool of efficient and dedicated & enthusiastic human resources lifted the company in the highest level of compliance and transparency in all spheres of operation and performance.

In 2017 our company has earned gross premium of BDT 422.60 million, net premium of BDT 247.21 Million, net profit before tax of BDT 99.03 million, net profit after tax of BDT 69.42 million and total asset stood at BDT 1,282.29 million. The company's overall business activity and its business operation in 2017 are very satisfactory which has been presented in detail in the Report of Board of Directors.

We manage our operation with timely initiatives and by abiding the rules and regulations of the Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC), Registrar Joint Stock Companies & Firms (RJSC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository of Bangladesh Ltd., Sadharan Bima Corporation, Bangladesh Bank, all schedule Banks & Non Banking Financial Institutions. We are really thankful to our adroit employees because without their dedication & hard work nothing would be possible and we always believe in team work.

To conclude I wish to express my profound gratefulness to the members of the Board of Directors of Northern General Insurance Company Limited who have extended their all out support and advices to proceed with the work smoothly to attain the optimum goal of the company.

We believe the gains made the past years will be instrumental for better positioning of the company in the future. We sincerely thank to all of our respected Shareholders and Customers for reposing their unshakeable trust and confidence in making the year 2017 a success and we are always looking for ideal opportunities for them and ourselves which will enhance our strength by focusing areas, where we have an advantage today and we can grow faster. Because we are the adherents of vision and vision can take us to a comfortable place where we want to see ourselves in the coming days.

With best regards



Abdul Haque FCA
Chief Executive Officer



Report of the Board of Directors

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

I have great pleasure to welcome you all to the 22nd Annual General Meeting of the company and also to place before you the Directors Report along with the Audited and Financial Statements and the Auditors' Report for the year ended 31st December 2017 for your review and approval in accordance with the prevailing rules & regulations. These were approved by the Board of Directors of the company on April 30, 2018. Before we deliver the performance of our company in 2017, it would be appropriate to apprise you about the global perspective of the business and its impact on Bangladesh scenario.

Global and Bangladesh Economy

International Monetary Fund (IMF), revised its growth forecast to 3.6 percent in 2017 and 3.7 percent in 2018 which are both 0.1 percentage point from the IMF's previous forecast in July, 2017 and would mark the fastest growth since 2010. Just a year ago, the global economy was still stuck in a slump in the aftermath of the Great Recession of 2007-2009 and a debt crisis in Europe. China's economy was slowing steadily, raising fears of economic fallout in the developing countries that supply raw materials to the world's second biggest economy. China is expected to report faster growth during the year for the first time since 2010. But the IMF warns that China has taken on high debts to juice growth and advised Chinese authorities to continue a recent effort to limit growth in credit. In an indirect reference to the president election of United States, Britain's decision to leave the European Union and tax reforms in the United States are expected to stimulate economic activity, especially business investment. Meanwhile ADB has made its growth forecast for developing Asian Countries at 5.9 percent in 2017 and 5.8 percent in 2018.

For Bangladesh 2017 was a mixed year of achievements and challenges. According to Asian Development Bank, Bangladesh's GDP growth rate projected 7 percent for the current fiscal year, much below than the government's provisional estimate of 7.6 percent. Growth has exceeded expectations despite slower export expansion and declining remittances, said the bank while unveiling its Asian Development outlook. Growth in agriculture witnessed to 2.90 percent in the current year from 2.60 percent a year earlier. Likewise the industry sector grew 10.22 percent from 10.10 percent.

In FY 2016-2017, investment as a share of GDP went up to 30.5 percent. The major boost has come from the public sector that saw an increase 7.4 percent in FY 2016-17 against 6.7 percent in FY 2015-16. Domestic savings GDP ratio increased by only 0.3 percent in FY 2016-17 while national savings GDP ratio declared by 1.2 percentage. Export growth in FY 2016-17 was only1.7 percent as opposed to the target of 8 percent. Remittance earning growth experienced a negative growth percent despite increase of manpower export, reason for strong Bangladeshi Taka against the US Dollar also played a role for low export and remittance growth to some extent. In 2017 the banking sector exposed further weaknesses such as rise of non performing loans, lower capital adequacy and the overall lack of governance in the sector. The government has been recapitalizing the state owned banks for their loss every year without any fruition. Despite the central bank's attempt to improve performance of the banking sector, improvements are not visible yet. From a geo-political point, 2017 most challenging for Bangladesh as the Rohingyas from the Rakhaine state of Myanmar are still fleeing to Bangladesh from August 25, 2017. Though they are supported by the international community, some fiscal burden will be fallen to the government of Bangladesh which will have budgetary implications.

The insurance sector in Bangladesh is still in its adolescence. With the operation of 47 non life insurance companies, is extremely overcrowded when compared with developing countries including our neighbors. Consequently, the situation in Bangladesh non life market has continued to worsen due to intense and cut throat competition among the existing market players. Regulatory reforms to modernize strict enforcement of these and whole hearted adherence to all are needed to free the industry from unwanted practices and to glorify its dignity.

Financial Achievement

In the year ended on 31st December, 2017 the Gross premium income of the company stood at Tk. 422.60 million against Tk. 373.38 million during the year 2016. Total Investment including FDR reached to Tk. 291.26 million during the year compare to Tk. 211.87 million in 2016 and Total Assets stood at Tk. 1,282.29 million against Tk. 1,129.28 million in 2016.

Profit

Due to tremendous fall in rate of interest/profit on fixed deposit during the year 2017 Investment Income stood at Tk. 14.72 million against Tk. 14.41 million in 2016. Inspite of small increase in investment income your Company earned Net Profit before tax Tk. 99.03 million in 2017 against Tk. 93.74 million in 2016.

Client Service & Claim Settlement

The Board of Directors of the company follows the principle of increasing goodwill of the company in all respect such as prompt settlement of Claim, Payment of dues (if any) in time, improvement of prompt services to the clients, associates, well wishers and to look after the well-being irrespective of rank and file of the insured to maintain excellent friendly atmosphere at all time. The Claim Department of Northern General Insurance Co. Ltd. is fully equipped with devoted and efficient professionals capable of providing

personalized services to the valued clients round the clock. The Gross Claim paid during the year stood at Tk. 84.99 million against Tk. 92.17 million in 2016.

Reserve & Surplus

In order to build strong and solid foundation of Assets & Reserve based Company, the Board of Directors proposed to transfer Tk. 25.00 million only to Reserve for Exceptional Losses Account during the year and therefore, the Reserve and Surplus stood at Tk. 450.12 million in 2017 as follows:

	In Million Tk.
Reserve for Exceptional Loss	163.03
Reserve for Un-expired Risk	98.92
Revaluation Surplus	188.17
Total	**450.12**

Earning Per Share

Company's profit attributable to the ordinary shareholders is Tk. 78.27 million in 2017. During this year Company's Earning Per Share (EPS) stood at Tk. 1.63 (face value of Tk. 10/-) considering 4,26,59,611 issued shares including 10% stock dividend approved for the year ended 2016.

Dividend

Our long term goal is to maximize shareholders interest on their investment. Keeping this objective in mind, the Board of Directors recommended 10% Cash Dividend to the shareholders of the Company for the year ended 31st December 2017 subject to approval in the 22nd AGM.

Investment

The total Investment including FDR of the Company stood at Tk. 291.26 million at the end of the year 2017 as against Tk. 211.87 million in 2016.

	Year 2017 In Million Tk.	**Year 2016** In Million Tk.
Fixed Deposit with various Banks	206.21	166.84
Bangladesh Govt. Treasury Bond	25.00	25.00
First Security Islami Bank (FSIB) Subordinated Bond	10.00	20.00
FSIB 2nd Mudaraba Subordinated Bond	50.00	0.00
Share in Public Limited Company	0.05	0.03
Total	**291.26**	**211.87**

Financial Summary

Taka in Million

Particulars	2017	2016	2015	2014	2013
Gross Premium	422.60	373.38	351.49	329.14	357.91
Net Premium	247.21	209.68	241.63	209.00	186.15
Gross Claim Paid	84.99	92.17	56.29	60.22	61.14
Underwriting Profit	117.81	110.96	130.98	92.43	91.72
Investment Income	14.72	14.41	24.99	35.97	39.63
Net Profit (before tax)	99.03	93.75	90.26	89.96	79.66
Investment (Including FDR)	291.26	211.87	178.74	407.06	405.16
Fixed Assets	320.61	307.87	316.75	352.90	142.06
Total Assets	1282.29	1129.28	1110.65	1188.03	934.94
Earning Per Share (Taka)	1.63	1.55	1.50	1.49	1.34
Face Value Per Share	**Tk. 10**	**Tk. 10**	**Tk. 10**	**Tk. 10**	**Tk. 10**

Retirement of Directors

At the 22nd Annual General Meeting the following Directors from 'A' Group shall be retired by rotation as per article 112 & 114 of the Articles of Associations of Company, being eligible, they offer themselves for re-appointment:

1) Mr. S. M. Ayub Ali Chowdhury
2) Mr. Md. Sarwar Salim
3) Mrs. Ferdousi Islam
4) Mr. Mohammed Shafiul Azam

In accordance with the provision of article 112 of the Articles of Association of the Company the following 2 Directors belonging to Group –B will retire in the 22nd Annual General Meeting:

1) Mr. Mohammad Azam
2) Mr. Faysal Ahmed Patwary

With a view to inform all public shareholders, the relevant notice in relation to Election of Directors from Public Shareholders 2018 has already been published on April 06, 2018 in two National Dailies.

Independent Director

The tenure of office of Mr. Mohammad Rafique as Independent Director has been expired on 23 September, 2017 and being eligible, the 183rd Meeting of Board of Directors of Northern General Insurance Co. Ltd. held on 09.10.2017 has extended his directorship as Independent Director for further 1(one) term i.e. for the period of 3 years. As per BSEC's Corporate Governance Guideline dated 07 August, 2012, the appointment of Independent Director needs to be approved by the shareholders in the 22nd AGM. In accordance to section 76 of Insurance Act. 2010, the another Independent Director is Prof . Dr. Zainab Begum.

Human Resource Management

In the perspective of the national economy of the country, the principal goal is to generate more and more employment. All of you know that the skilled manpower plays a very vital role in achieving a gradual achievement of goal. You would be pleased to know that presently 295 efficient and dedicated professional officers & staff are working in the company holding various positions. To build up an efficient and enriched team, through all level of officers and staff, different types of training have been arranged that has given a positive improvement on overall image of the company.

Appointment of Auditor(s)

The present Auditors M/s Rahman Mostafa Alam & Co., Chartered Accountants of Paramount Heights (7th Floor, D2 & C1), 65/2/1 Box Culvert Road, Purana Patlan, Dhaka-1000 is going to retire in the 22nd Annual General Meeting and they have completed their assignment as Auditor(s) for the year 2017. Being eligible they have expressed their willingness to be appointed as Statutory Auditor of the company and offered themselves for re-appointment for the year 2018. The Board of Directors recommend for their appointment subject to approval in the 22nd Annual General Meeting.

Credit Rating

The Company has been rated as "AA-" in the Long Term and "ST-2" in the Short Term by the Government approved Argus Credit Rating Services Ltd. on the basis of Audited Financial Statements for the year ended December 31, 2017 and the other relevant information. "AA-" in the Long Term indicated to offer adequate safety for timely repayment of financial obligation. It differs from the highest rated insurance company only to a small degree. It is judged to be of very high quality and is subject to very low credit risk. "ST-2" in the short term indicated good grade, good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

Corporate Governance

The Board of Directors of the company firmly believes that practice of Good Corporate Governance and transparency in a sine qua non towards ensuring a disciplined and a sustainable organization. The main objective of corporate governance is to ensure publicizing the transparency and accountability through a mix of national and social responsibilities with the company's individual goal and its outcome. In pursuant to the Securities and Exchanger Commission notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07-08-2012, it is to highlight here that the listed companies of Bangladesh have taken steps to culture such Corporate Governance. Accordingly the Board of Directors of Northern General Insurance Company Limited has taken this notification into their consideration and in trail to that you are requested to look at your company's present status in Annexure-I.

Looking Ahead

This year the company has set up a challenging business target and in order to achieve the same, some concrete initiatives have also been adopted and we believe that our endeavour to provide quality and prompt services to the clients will be helpful to increase the volume of business. We hope and believe that Insha Allah, the endeavour of the management with full co-operation & active participation of all of us, we shall continue our progress in the coming days too.

Acknowledgement

The Board of Directors deeply appreciates the gracious support and co-operation extended by the Government of the Peoples Republic of Bangladesh particularly the Ministry of Commerce, Ministry of Finance, Insurance Development and Regularity Authority, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository of Bangladesh Ltd, Argus Credit Rating Services Ltd (ACRSL). The Board also like to put on record its appreciation and service rendered by Sadharan Bima Corporation, Bangladesh Insurance Association and Bangladesh Insurance Academy. The Board also would like to thank the Bangladesh Bank and all scheduled Banks, Financial Institutions, our valued clients, patrons and well wishers for their continuous assistance and co-operation, patronization and encouragement extended to us on various aspects.

We also offer sincere gratitude and thanks for all out efforts and team spirit of the Chief Executive Officer, CFO & Company Secretary, Senior Executives, Officers and the Employees of the company for their sincere and dedicated services towards greater success. We always solicit your continuous co-operation, hard work and valuable suggestions during the days ahead as done before.

We are also highly grateful to our colleagues and express our heartfelt thanks and gratitude to our dear fellow colleagues, the Chairman of Executive Committee, Claims Committee, Audit Committee and Convener of Manpower Review Committee of the Board of Directors for their valuable suggestion, noble counsel, active co-operation and unstinted support towards achieving the cherish goals of the Company.

We all are very grateful to Almighty Allah who has helped us and given us the courage to lead the Company towards a better future.

For and on behalf of the
Board of Directors

Northern General Insurance Company Limited.



(Abdul Matin)
Chairman of the Board

Credit Rating Report

AA-

Year	Long Term Rating	Short Term Rating	Date of Rating
2017	AA-	ST-2	21 May 2018

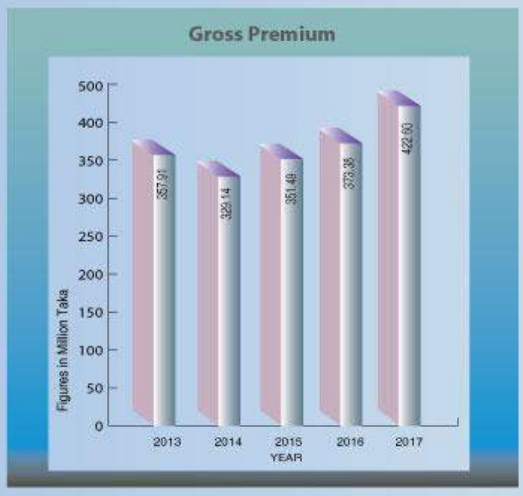
Rating Explanation:

AA-	**Long Term:** Company is considered to offer adequate safety for timely repayment of financial obligations. It differs from the highest rated insurance company only to a small degree. It is judged to be of very high quality and is subject to very low credit risk.
ST-2	**Short Term :** Good grade, Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

Rating Validity : 21 May 2019

Rated by : ARGUS Credit Rating Services Ltd. (ACRSL)

Graphical Data

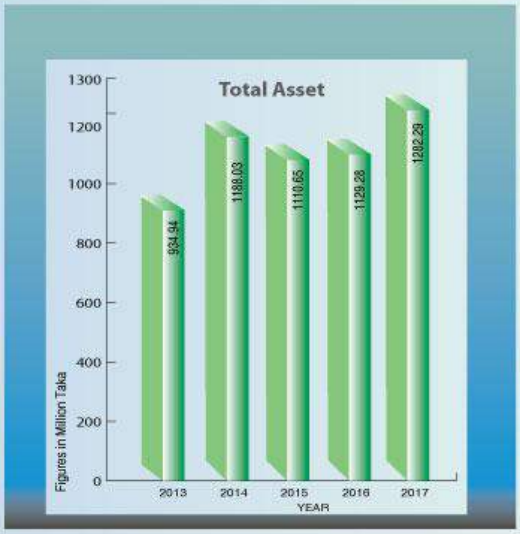












Compliance Report to

Bangladesh Securities and Exchange Commission

(under section 184 of the Companies Act, 1994)

ANNEXURE-I

The Directors also report that-

- Related party Transaction are depicted in Note no. 21, 21.1 & 21.2 in the Notes of Accounts.
- Remuneration of Directors including Independent Director have been shown in P/L Account.
- The Financial Statements of the company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with IAS/BAS/IFRS/BFRS.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- During the year ended December 31, 2017 the Board of Directors held 8 meetings and the Directors serving on the Board attended in aggregate 90% of the total number of the meetings.
- The pattern of shareholding (along with name detail) of Partner/Subsidiary/Associated companies and other related parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children, Executives, shareholders holding 10% as at December 31, 2017 are as stated in **Annexure-II.**
- Key operating and financial data of last 5 years have been presented in summarized form in **Report of the Board of Directors.**
- Brief Resume of the Directors who seek re-appointment and appointment in the AGM are stated in **Profile of Directors and their attachment.**

Shareholding Pattern of Directors & Sponsors:

(as at 31st December, 2017)

ANNEXURE-II

Particulars	No. of Share Held	Percentage	Remark
Parent Company	–	–	The Company is not subsidiary of any company
Directors / Sponsors :			
Mr. Abdul Matin	9,27,111	2.17	
Mr. Mohammad Azam	9,84,385	2.31	
Alhaj Abdus Samad	9,27,111	2.17	
Alhaj Nasiruddin	9,27,111	2.17	
Mr. S.M. Ayub Ali Chowdhury	10,92,504	2.56	
Mr. Md. Sarwar Salim	9,41,897	2.21	
Mrs. Ferdousi Islam	12,45,647	2.92	
Alhaj Md. Saiful Alam	8,34,231	1.96	
Mr. Mortuza Siddique Chowdhury	9,27,111	2.17	
Mr. Shahriar Khaled	9,27,111	2.17	
Barrister Faysal Ahmed Patwary	12,45,645	2.92	
Ms. Thamina Rahman	12,45,647	2.92	
Mr. Mohammed Shafiul Azam	11,71,111	2.75	
Ms. Maimuna Khanam	7,78,285	1.83	
Mr. Arshadul Alam	12,45,647	2.92	
Late Hamidul Haq	33,456	0.08	
Total	**1,54,54,010**	**36.23**	
Chief Executive Officer(CEO) and his spouse and minor children :	NIL		
Chief Financial Officer(CFO) and his spouse and minor children :	NIL		
Company Secretary (CS) and his spouse and minor children :	NIL		
Head of Internal Audit and his spouse and minor children :	NIL		
Executives (Top salaried person other than CEO, CFO, CS, HIA) :	NIL		
Shareholders Holding 10% or more voting right :	NIL		

Compliance of Notification

No. SEC/CMRRCD/2006-158/134/Admin/44 as on 07 August, 2012

ANNEXURE-III

1. BOARD OF DIRECTORS:

1.1 Board's Size

The member of the Board Directors within the limit given by BSEC

1.2 Independent Director's:

(i) In terms of the Provision under this sub-clause the Board of Directors has appointed 2 (two) nos. Independent Director as per Insurance Act 2010.

(ii) The Independent Directors, nominated by the Board of Director meet all the requirement as prescribed under the SEC Notification.

(iii) In terms of provision of SEC Notification under reference the shareholders in the AGM are required to approve the re-appointment of Mr. Mohammad Rafique for another term for 3 years as Independent Director.

(iv) The post of Independent Director shall not be kept vacant for more than 90 days.

(v) The Board of Directors has laid down a code of conduct for all members of the Board.

(vi) The tenure of office of the Independent Director as nominated above shall be 3(three) years which may be extended for 1 (one) term only.

1.3 Qualification of Independent Director (ID)

(i) The Independent Director nominated by the Board is highly qualified and knowledgeable person.

(ii) The recommended IDs' have more than 15 years experiences.

1.4 Chairman of the Board and Chief Executive Officer

The position of the Chairman of the Board and the Chief Executive Officer stand separate. The roles of the Chairman and CEO & Managing Director are separate.

1.5 The Directors' Report to Shareholders

All the requirements have been fulfilled.

2. CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)

All the requirements have been fulfilled.

3. AUDIT COMMITTEE:

The Audit Committee, as a sub-Committee of the Board, has been constituted with one Independent Director as Chairman. The Company Secretary acts as Secretary to the Committee. Role of the Audit Committee as per provision of the BSEC regulation, has been duly adopted by the Board. Their reports are being submitted as per BSEC requirements.

4. EXTERNAL/STATUTORY AUDITOR(S):

The BSEC guidelines are being strictly followed in engaging Statutory Auditors.

5. SUBSIDIARY COMPANY (S):

Northern General Insurance Company Ltd. has no subsidiary company.

6. DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):

The provision of BSEC regulations are being complied with on regular basis.

7. REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:

Requirement on the above are being complied with.

AUDIT COMMITTEE REPORT

For the year ended 31st December 2017

The Audit Committee of Northern General Insurance Co. Ltd. is a sub-committee of the Board of Directors and is appointed by the Board of Directors. The Audit Committee consists of the following Directors:

Name	Status	Position of Audit Committee
Prof. Dr. Zainab Begum	Independent Director	Chairman
Mr. Abdul Matin	Director	Member
Al-haj Abdus Samad	Director	Member
Alhaj Nasiruddin	Director	Member
Mr. Md. Sarwar Salim	Director	Member
Mr. S. M. Ayub Ali Chowdhury	Director	Member

The Committee held 05 meetings during the year as follows:

Name of the Meeting	Total Meeting held during the 2017	Attended
Audit Committee Meeting	5 (five)	98% attendance on average

Activities of the Audit Committee:

a) Reviewed and recommended to the Board to approve the financial statements prepared for statutory purpose;

b) Report to the Board of Directors on internal audit finding from time to time considering the significance of the issues;

c) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and

d) Reviewed and considered the internal auditors' report and management report submitted by the statutory auditors' regarding observations on internal control. The Audit Committee is of the view that risk management associated with the insurance business is adequately controlled.

e) The Committee reviewed the internal audit reports, quarterly, half yearly, annual financial statements and the external audit report and recommended to the board for consideration. The Committee did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

(Prof. Dr. Zainab Begum)
Chairman
Audit Committee

দাশ চৌধুরী দত্ত এন্ড কোং
DAS CHOWDHURY DUTTA & CO.
CHARTERED ACCOUNTANTS

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74 Agrabad com. Area, Chittagong
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Fax : 088-031-714312
E-mail : dcdctg@iolbd.net

Website : daschowdhurydutta.com

Auditors' Certificate on Corporate Governance Compliance Of Northern General Insurance Company Limited

We have examined the compliance by Northern General Insurance Company Limited for the year ended on 31st December 2017 with respect to the BSEC guidelines on Corporate Governance. Such Compliance is the responsibility of the company as stipulated by notification on SEC/CMRRCD/2006/-158/134/Admin/44 dared 07 August 2012 issued by Bangladesh Securities and Exchange Commission in accordance with section 2CC of Securities and Exchange Ordinance, 1969.

Our examination relating to status of compliance (as attached) by Northern General Insurance Company Limited was limited to the procedures including implementation thereof as adopted by the company for ensuring such compliances and this has not been for expression of our opinion on the financial statements or future viability of the company.

In our opinion, to the best of our information and explanations provided to us, the Company has complied with all the conditions of aforesaid Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission except the number of independent Directors which has been complied with as per section 76 of Insurance Act 2010

Dhaka, 17 May, 2018

Das Chowdhury Dutta & Co.
(Chartered Accountants)

STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	**BOARD OF DIRECTORS:**			
1.1	Board's Size	✓		
1.2	**Independent Directors:**			
1.2 (i)	Number of Independent Director.	✓		Complied with the Insurance Act, 2010
1.2(ii)(a)	Shareholding position of Independent Director.	✓		
1.2(ii)(b)	Independent Director is not sponsor, nor any family member/family relationship of the sponsor	✓		
1.2(ii)(c)	Independent Director does not have any other relationship with the company or it's subsidiary associated companies.	✓		
1.2(ii)(d)	Independent Director is not a member, director or officer of any stock exchange.	✓		
1.2(ii)(e)	Independent Director is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
1.2(ii)(f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm.	✓		
1.2(ii)(g)	Independent Director shall not be an independent director in more than 3(three) listed companies.	✓		
1.2(ii)(h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	✓		
1.2(ii)(i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	The Independent Director(s) shall be appointed by the board, and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2(iv)	The post of Independent Director(s) cannot remain vacant for more than 90(ninety) days.	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.3	**Qualification of Independent Director(ID)**			
1.3(i)	Independent director shall be a knowledgeable individual with integrity, ensure compliance with financial, regulatory and corporate laws.	✓		Profile of ID available in the Annual Report
1.3(ii)	Independent Director should be a Business Leader/Corporate Leader Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals. Independent Director must have a least 12(twelve) years corporate management/professional experiences.	✓		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	✓		
1.4	Chairman of the Board and Chief Executive Officer shall be filled by different individuals. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer	✓		
1.5	**The Director's Report to Shareholder shall include the following additional statements:**			
1.5(i)	Industry outlook and possible future developments in the industry.	✓		Available in the Annual Report
1.5(ii	Segment-wise or product-wise performance	✓		Available in the Annual Report
1.5(iii)	Risks and concerns.	✓		Available in the Annual Report
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		Available in the Annual Report
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		No such Extra-ordinary gain or loss
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	✓		Available in the Annual Report
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		
1.5(viii)	An explanation if the financial results deteriorate after the company goes IPO, RPO, Rights Offer, Direct Listing etc.	✓		Financial result is not deteriorated
1.5(x)	Remuneration to directors including independent directors	✓		Available in the Annual Report.

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(xi)	Financial statements present fairly state of affairs, the result of its operations, cash flows and changes in Shareholder's equity of the company.	✓		
1.5(xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.	✓		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh have been followed in preparation of the financial statements.	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern.	✓		No such significant deviation observed
1.5(xvii)	Significant deviations from the last year's operating results of the company shall be highlighted.	✓		No such significant deviation observed
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized.	✓		Available in the Annual Report
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year.	✓		Declared dividend regularly
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5(xxi)a)	Share holding position Parent/Subsidiary/ Associated Companies and other related parties.	✓		Available in the Annual Report
1.5(xxi)b)	Share holding position of Directors, Chief Executive Officer Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children.	✓		No such matter to report on
1.5(xxi)c)	Share holding position of Executives of the company	✓		No such matter to report on
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company.	✓		No such matter to report on

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(xxii)a)	A brief resume of the appointed/reappointed director	✓		Available in the Annual Report
1.5(xxii)b)	Expertise in specific functional areas of the appointed/reappointed director	✓		Profile available in the Annual Report
1.5(xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		Available in the Annual Report
2	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary:**			
2.1	Appointment of CFO, HIA and CS & defining their responsibilities.	✓		
2.2	Attendance of CFO & Company Secretary at the meeting of the Board of the Directors.	✓		
3.00	**Audit Committee:**			
3(i)	The company has an Audit Committee as a sub-committee of the Board of the Directors.	✓		
3(ii)	Assistance of the Audit Committee to the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3(iii)	The Audit Committee is responsible to the Board of Directors. The duties of the Audit committee clearly set forth in writing.	✓		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	Committee shall be comprised at least 3(three) members.	✓		
3.1(ii)	Appointment of members of the Audit Committee who are directors and including 1(one) independent directors.	✓		
3.1(iii)	All members of the audit committee are "financially literate" and 1(one) member have accounting or related financial management experience.	✓		
3.1(iv)	Board of Directors appoint the new Committee member(s) to fill up the vacancy immediately or not later than 1(one) month from the date vacancies in the Committee.	✓		
3.1(v)	The company secretary shall act as the secretary of the committee.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
3.2	**Chairman of the Audit Committee:**			
3.2(i)	Independent Director is the Chairman of the Audit Committee.	✓		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
3.3	**Role of the Audit Committee:**			
3.3(i)	Audit Committee oversees the financial reporting process.	✓		
3.3(ii)	Audit Committee monitor choice of accounting policies and principles.	✓		
3.3(iii)	Audit Committee monitor Internal Control Risk Management process.	✓		
3.3(iv)	Audit Committee oversee hiring and performance of external auditors.	✓		
3.3(v)	Audit Committee review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Audit Committee review the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Audit Committee review the adequacy of internal audit function.	✓		
3.3(viii)	Audit Committee review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Audit Committee review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	Money is raised through IPO, RPO/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds.	✓		
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors:	✓		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.4.1(ii)a)	The Audit Committee shall immediately report on conflict of interest.	✓		No conflict of interest
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	✓		No such finding
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations.	✓		No such finding
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	If the Audit Committee reported to the Board of Directors about anything which has material impact on the financial condition as result of operation. Audit Committee funds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission.	✓		No such finding
3.5	Report on activities carried out by the Audit Committee, under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee.	✓		
4	**External/statutory auditors to perform:**			
4(i)	Appraisal or valuation services or fairness opinions.	✓		
4(ii)	Financial information systems design and implementation.	✓		
4(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4(v)	Actuarial Services.	✓		
4(vi)	Internal audit services.	✓		
4(vii)	Any other service that the Audit Committee determines.	✓		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company.	✓		
5	**Subsidiary Company:**			
5(i)	The composition of the Board of Directors of the subsidiary company.	✓		No subsidiary company
5(ii)	At least 1(one) independent director shall be a director on the Board of Directors of the subsidiary company.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
5(v)	The Audit Committee of the holding company shall also review the investments made by the subsidiary company.	✓		
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
6(i)a)	The CEO and CFO shall certify to the Board that financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		No such material fact
6(i)b)	Financial statements together present a true and fair view the company's affairs and are in compliance existing accounting standards and applicable laws.	✓		
6(ii)	To the best of knowledge and belief, no transaction entered into by the company during the year which fraudulent, illegal or violation of the company's code of conduct.	✓		
7	**Reporting and Compliance of Corporate Governance:**			
7(i)	The company obtained a certificate from a practicing Chartered Accountant regarding compliance of conditions of Corporate Governance Guidelines.	✓		Certificate available in annual report
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the director's report whether the company has complied with these conditions.	✓		

Northern General Insurance Co. Ltd.

(A KEY TO PROTECTION)

Directors Certificate

As per Section 63(2) of the Insurance Act' 2010, we certify that:

01. The value of investments in shares and debentures have been taken at cost and the quoted value thereof mentioned wherever available.

02. The Values of all assets as shown in the Balance Sheet and as classified on Form AA annexed have been duly reviewed as at 31st December, 2017 and in our belief, the said assets have been set forth in the Balance Sheet at amount not exceeding their realizable or market value under the several heading's as enumerated therein.

03. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

(Abdul Haque FCA)	Al-haj Abdus Samad	(Al-haj Nasiruddin)	(Abdul Matin)
Managing Director & CEO	Director	Director	Chairman

Auditors' Report to the Shareholders of
Northern General Insurance Company Limited.

We have audited the accompanying financial statements of Northern General Insurance Company Limited ("the Company"), which comprise the balance sheet as at December 31, 2017, profit or loss account, profit & loss appropriation account, consolidated insurance revenue account, fire insurance revenue account, marine insurance (cargo & hull) revenue account, motor insurance revenue account, miscellaneous insurance revenue account, statement of changes in shareholders' equity, statement of cash flows for the year then ended, Form "AA" as at December 31, 2017 and a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 24, Form-XL and annexure-A.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), along with Rules & Regulation Issued by the Insurance Development and Regulatory Authority (IDRA) and Insurance Act 2010, Insurance Rules 1958, Securities and Exchanges Commission Rules 1987 and the Companies Act 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are responsible in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DHAKA OFFICE : Well Tower (1st Floor), Flat - A/1,12/A Purana Paltan Line, Dhaka, Tel. 088-02-58313305, Fax. 088-02-58310639, E-mail: dcddhaka@f-lix.net
CTG. OFFICE : Jahan Building No.5 (2nd Floor), 74 Agrabad Com. Area, Chittagong, Tel. 088-031-725955, Fax. 088-031-714312, E-mail: dcdctg@iolbd.net

Opinion

In our opinion, the financial statements present fairly in all material respects, the balance sheet of the Company as at December 31, 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), Insurance Act 2010, Insurance Rules 1958, Securities and Exchanges Commission Rules 1987, the Companies Act 1994 and comply with the other applicable rules and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof ;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and (Where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us and incorporated in the accompanying financial statements;

c) the Balance sheet and profit or loss account and its cash flows dealt with by the report are in agreement with the books of accounts and drawn as per Insurance Act 2010 ;

d) the expenditure incurred and payments made were for the purpose of the company's business ;

e) as per section 63(2) of the Insurance Act 2010, as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and incurred directly or indirectly in respect of insurance business of the company transacted in Bangladesh during the year under audit have been duly debited to the related revenue accounts and the profit or loss account of the company and;

f) as per section 59 (5), of the Insurance Act 2010 as emended rule 1958, we also certify that to the best of our information and as shown by its books, the company during the year under report has not paid to any person any commission in any form outside Bangladesh in respect of any of its business re- insured abroad.

Dated : Dhaka
April 30, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

DHAKA OFFICE : Well Tower (Ist Floor), Flat - A/1,12/A Purana Paltan Line, Dhaka, Tel. 088-02-58313305, Fax. 088-02-58310639, E-mail: dcddhaka@f-lix.net
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BALANCE SHEET

Capital and Liabilities	Notes	Taka	
		31-Dec-17	31-Dec-16
Share Capital	**3**		
Authorized :			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up :			
42,659,611 ordinary shares of Tk.10 each	**3.2**	**426,596,110**	**387,814,650**
Reserve or Contingency Accounts		**424,768,175**	**394,128,700**
Reserve for Exceptional Losses	4	163,031,170	138,031,170
Revaluation Surplus	5	183,467,942	188,172,248
Profit or Loss Appropriation Account	6	78,269,063	67,925,282
Balance of Funds and Accounts		**98,927,542**	**84,231,704**
Fire Insurance Business		29,195,058	31,476,032
Marine Insurance Business		33,438,603	30,901,171
Motor Insurance Business		27,038,784	18,984,886
Miscellaneous Insurance Business		9,255,097	2,869,615
Premium Deposit	**7**	8,078,860	5,712,284
Liabilities and Provisions		**323,918,607**	**257,393,139**
Estimated liability in respect of outstanding claims whether due or intimated	8	32,428,688	24,650,692
Amount due to other persons or bodies carrying on insurance business	9	69,951,953	42,344,509
Sundry Creditors(including provision for tax)	10	221,537,966	190,397,938
Total Capital and Liabilities		**1,282,289,294**	**1,129,280,477**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements

Managing Director & CEO

Director

Director

Dated: Dhaka
April 30, 2018

AS AT 31 DECEMBER 2017

Property and Assets	Notes	Taka	
		31-Dec-17	31-Dec-16
Investment	11	85,050,194	45,036,160
Interest Accrued (but not due)	12	8,257,787	11,095,456
Amount due from other persons or bodies carrying on insurance business	13	362,829,068	353,203,139
Sundry Debtors (including advance taxes, others advances , deposits and pre-payments)	14	213,337,014	187,624,860
Cash and Cash Equivalents	15	290,809,254	221,527,954
Other accounts		**322,005,977**	**310,792,908**
Property, Plant & Equipments	16	320,335,579	307,485,128
Intangible Assets	17	277,392	384,435
Stock of Stationery in hand		266,554	360,719
Insurance Stamps in hand		705,850	2,468,050
Deferred Tax Assets	18.2.1	420,602	94,576
Total Property and Assets		**1,282,289,294**	**1,129,280,477**

Signed as per our annexed report of even date.

Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

PROFIT OR LOSS ACCOUNT

Particulars	Notes	Taka 2017	Taka 2016
Expenses of Management (not applicable to any particular fund or account)	19	**14,172,609**	**16,364,837**
		19,346,095	**15,279,842**
Directors' Fees		828,000	860,000
Audit Fees		316,250	356,500
Subscription		340,000	450,000
Legal and Professional Fees		338,125	563,200
Depreciation and Amortization		15,141,432	11,635,401
Registration renewal Fees		2,382,288	1,414,741
Profit before Tax		**99,034,891**	**93,746,855**
Deferred Tax Income	18.2	(326,026)	22,934
Provision for Taxation	18.3	29,939,982	27,512,502
Profit after Tax carried to Profit or Loss Appropriation Account		**69,420,935**	**66,211,419**
Total		**132,553,595**	**125,391,534**

PROFIT OR LOSS APPROPRIATION ACCOUNT

Particulars	Notes	Taka 2017	Taka 2016
Reserve for Exceptional Losses		25,000,000	25,000,000
Stock Dividend		38,781,460	41,551,570
Balance of Profit after tax		78,269,063	67,925,282
	Total	**142,050,523**	**134,476,852**
Earning Per Share (EPS)	**2.11**	**1.63**	**1.55**
Face value per share		**10**	**10**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO

Director

Director

Dated: Dhaka
April 30, 2018

FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	Taka	
		2017	2016
Interest, Dividend and Rents (not applicable to any particular fund or account) :			
Interest Income		14,724,021	14,414,452
Other Income		14,354	17,876
Underwriting Profit or Loss transferred from		**117,815,220**	**110,959,206**
Fire Insurance Revenue Account		34,500,040	32,323,923
Marine Insurance Revenue Account		58,095,896	51,541,265
Motor Insurance Revenue Account		13,711,076	19,588,207
Miscellaneous Insurance Revenue Account		11,508,208	7,505,811
Total		**132,553,595**	**125,391,534**

FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	Taka	
		2017	2016
Balance being Profit brought forward from last year		67,925,282	41,996,373
Revaluation surplus transferred to Retained Earnings		4,704,306	26,269,060
Net Profit for the year brought down		69,420,935	66,211,419
	Total	**142,050,523**	**134,476,852**

Signed in terms of our report of even date annexed.

Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

CONSOLIDATED INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
		2017	2016
Claims under policies less re-insurances			
Paid during the year		53,561,291	65,354,935
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		32,428,688	24,650,692
		85,989,979	90,005,627
Less : Claims outstanding at the end of the previous year		24,650,692	27,373,619
		61,339,287	62,632,008
Agent Commission		44,116,654	28,739,124
Expenses of management	20	57,148,487	58,463,313
Balance of account at the end of the year as shown in the Balance Sheet		98,927,542	84,231,704
Underwriting Profit or Loss transferred to Profit or Loss Account		117,815,220	110,959,206
Total		**379,347,190**	**345,025,355**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO

Director

Director

Dated: Dhaka
April 30, 2018

FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	Taka	
		2017	2016
Balance of account at the beginning of the year: Reserve for unexpired risks		84,231,704	97,644,153
Premium less re-insurances		247,207,393	209,681,286
Commission on re-insurances ceded		47,908,093	37,699,916
Total		**379,347,190**	**345,025,355**

Signed in terms of our report of even date annexed.

Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

FIRE INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
		2017	2016
Claims under policies less re-insurances			
Paid during the year		23,861,300	40,762,127
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		8,090,000	2,050,500
		31,951,300	42,812,627
Less : Claims outstanding at the end of the previous year		2,050,500	5,783,280
		29,900,800	37,029,347
Agent Commission		18,665,438	13,951,596
Expenses of management	20	22,167,933	25,027,867
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income of the year		29,195,058	31,476,032
Underwriting Profit or Loss transferred to Profit or Loss Account		34,500,040	32,323,923
Total		**134,429,269**	**139,808,765**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO

Director

Director

Dated: Dhaka
April 30, 2018

FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	Taka	
		2017	2016
Balance of account at the beginning of the year:			
Reserve for unexpired risks		31,476,032	41,947,073
Premium less re-insurances		72,987,646	78,690,080
Commission on re-insurances ceded		29,965,591	19,171,612
Total		**134,429,269**	**139,808,765**

Signed in terms of our report of even date annexed.

Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

MARINE INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
		2017	2016
Claims under policies less re-insurances			
Paid during the year		7,342,467	4,169,858
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		7,530,000	14,075,000
		14,872,467	18,244,858
Less : Claims outstanding at the end of the previous year		14,075,000	10,714,601
		797,467	7,530,257
Agent Commission		15,182,019	8,823,663
Expenses of management	20	16,087,368	18,254,964
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on Marine Hull of the year :		33,438,603	30,901,171
Cargo		33,364,295	30,302,522
Hull		74,308	598,649
Underwriting Profit or Loss transferred to Profit or Loss Account		58,095,896	51,541,265
Total		**123,601,353**	**117,051,320**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO

Director

Director

Dated: Dhaka
April 30, 2018

FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	Taka	
		2017	2016
Balance of account at the beginning of the year:			
Reserve for unexpired risks		30,901,171	30,006,303
Premium less re-insurances		83,485,045	76,354,954
Commission on re-insurances ceded		9,215,137	10,690,063
Total		**123,601,353**	**117,051,320**

Signed in terms of our report of even date annexed.

Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

MOTOR INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
		2017	2016
Claims under policies less re-insurances			
Paid during the year		22,048,332	20,399,938
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		16,462,438	7,835,342
		38,510,770	28,235,280
Less : Claims outstanding at the end of the previous year		7,835,342	10,261,238
		30,675,428	17,974,042
Agent Commission		6,208,960	4,278,410
Expenses of management	20	9,670,038	8,141,426
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income of the year		27,038,784	18,984,886
Underwriting Profit or Loss transferred to Profit or Loss Account		13,711,076	19,588,207
Total		**87,304,286**	**68,966,971**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO

Director

Director

Dated: Dhaka
April 30, 2018

FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	Taka	
		2017	2016
Balance of account at the beginning of the year:			
Reserve for unexpired risks		18,984,886	20,247,131
Premium less re-insurances		67,596,959	47,462,215
Commission on re-insurances ceded		722,441	1,257,625
Total		**87,304,286**	**68,966,971**

Signed in terms of our report of even date annexed.

Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

Particulars	Notes	Taka	
		2017	2016
Claims under policies less re-insurances			
Paid during the year		309,192	23,012
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		346,250	689,850
		655,442	712,862
Less : Claims outstanding at the end of the previous year		689,850	614,500
		(34,408)	98,362
Agent Commission		4,060,237	1,685,455
Expenses of management	20	9,223,148	7,039,056
Balance of account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 40% of premium income of the year		9,255,097	2,869,615
Underwriting Profit or Loss transferred to Profit or Loss Account		11,508,208	7,505,811
Total		**34,012,282**	**19,198,299**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO

Director

Director

Dated: Dhaka
April 30, 2018

FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Notes	Taka	
		2017	2016
Balance of account at the beginning of the year:			
Reserve for unexpired risks		2,869,615	5,443,646
Premium less re-insurances		23,137,743	7,174,037
Commission on re-insurances ceded		8,004,924	6,580,616
Total		**34,012,282**	**19,198,299**

Signed in terms of our report of even date annexed.

Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

Particulars	Taka				
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus	Total Equity
Balance as on January 01, 2017	**387,814,650**	**67,925,282**	**138,031,170**	**188,172,248**	**781,943,350**
Addition during the period	38,781,460	-	25,000,000	-	63,781,460
Revaluation surplus transferred to Retained Earnings		4,704,306		(4,704,306)	-
Stock Dividend	-	(38,781,460)	-	-	(38,781,460)
Profit after tax for the year	-	44,420,935	-	-	44,420,935
Balance as on December 31, 2017	**426,596,110**	**78,269,063**	**163,031,170**	**183,467,942**	**851,364,285**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Particulars	Taka				
	Share Capital	Retained Earnings	Reserve for Exceptional Losses	Revaluation Surplus	Total Equity
Balance as on January 01, 2016	**346,263,080**	**41,996,373**	**113,031,170**	**214,441,308**	**715,731,931**
Addition during the period	41,551,570	-	25,000,000	-	66,551,570
Revaluation surplus transferred to Retained Earnings		26,269,060		(26,269,060)	-
Stock Dividend	-	(41,551,570)	-	-	(41,551,570)
Profit after tax for the year	-	41,211,419	-	-	41,211,419
Balance as on December 31, 2016	**387,814,650**	**67,925,282**	**138,031,170**	**188,172,248**	**781,943,350**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO | Director | Director | Chairman

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Particulars	Notes	Taka	
			2017	2016
A.	**Cash flow from operating activities**			
	Collection from premium and others		515,719,746	409,519,322
	Payment for management expense, re-insurance and claims		(352,331,925)	(336,272,347)
	Income Tax paid		(26,221,681)	(23,252,967)
	Net cash generated from operating activities (A)		**137,166,140**	**49,994,008**
B.	**Cash flow from investing activities**			
	Fixed Assets acquired		(27,884,840)	(2,754,482)
	Investment in Bond		(40,000,000)	10,000,000
	Net cash used in investing activities (B)		**(67,884,840)**	**7,245,518**
C.	**Cash flow from financing activities**			
	Bank loan paid		-	(18,152,627)
	Net cash generated from financing activities (C)		**-**	**(18,152,627)**
D.	**Net Increase/(decrease) (D =A+B+C)**		**69,281,300**	**39,086,899**
E	**Cash and cash equivalent at the beginning of the year**		221,527,954	182,441,055
F.	**Cash and cash equivalent at the end of the year (F=D+E)**		**290,809,254**	**221,527,954**

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO | Director | Director | Chairman

FORM- "AA"
CLASSIFIED SUMMARY OF ASSETS
AS AT 31 DECEMBER 2017

Class of Assets	Taka		Remarks
	Book value as per Balance Sheet	Market Value	
Bangladesh Govt. Treasury Bond	25,000,000	25,000,000	Not quoted in the market
Fixed Deposit with Banks	206,212,116	206,212,116	Realizable Value
In STD A/C with Banks	79,448,742	79,448,742	Realizable Value
Cash in Hand	5,148,396	5,148,396	Realizable Value
Interest on Investment accrued but not due	8,257,787	8,257,787	Realizable Value
Amount due from other persons or bodies carrying on insurance business	362,829,068	362,829,068	Realizable Value
Other Assets :			
Property, Plant & Equipments	320,335,579	320,335,579	Revalued
Intangible Assets	277,392	277,392	Realizable Value
Investment in Bond & Share	60,050,194	60,050,194	Realizable / Market Value
Sundry Debtors	213,757,616	213,757,616	Realizable Value
Stock of Stationery and Stamps	972,404	972,404	Realizable Value
	1,282,289,294	**1,282,289,294**	

The accompanying notes from 1 to 24 & Annexure-1 form an integral part of these financial statements.

Managing Director & CEO | Director | Director | Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2017

1.0 Introduction:

1.1 Status of the Company:

Northern General Insurance Company Limited was incorporated as public company limited by shares on April 08, 1996 under the companies Act, 1994 bearing certificate of incorporation no.C-30509(1725)/96. The company was entitled to commence business vide certificate of commencement issued on April 08, 1996 by the Registrar of Joint Stock Companies & Firms under section 150(2) of the said Act. The Controller of Insurance has issued certificate of registration on May 25, 1996. The Securities & Exchange Commission has approved for issue of shares to public on October 20, 2008 (date of lottery). The company has been listed with the stock exchange [both in Dhaka and in Chittagong] on July 16, 2008.

1.2 Nature of Business:

The primary objectives of the Company are to carry on non-life related all kinds of insurance, guarantee and indemnity business.

1.3 Structure, Content and Presentation of Financial Statements:

These financial statements are presented in accordance with the guidelines provided as per requirement of Insurance Act 1938 and BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises of:

i. Balance sheet as at December 31, 2017;
ii. Profit or Loss Account for the year ended December 31, 2017;
iii. Profit or Loss Appropriation Account for the year ended December 31, 2017;
iv. Consolidated all Business Revenue Account for the year ended December 31, 2017;
v. Fire Insurance Revenue Account for the year ended December 31, 2017;
vi. Marine Insurance Revenue Account for the year ended December 31, 2017;
vii. Motor Insurance Revenue Account for the year ended December 31, 2017;
viii. Miscellaneous Insurance Revenue Account for the year ended December 31, 2017;
ix. Statement of Changes in Equity for the year ended December 31, 2017;
x. Statement of Cash Flows for the year ended December 31, 2017;
xi. Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2017;

2.0 Summary of Significant Accounting Policies & Basis of Preparation:

A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), as set out below:

2.1 Basis of Accounting:

These financial statements have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention. These statements have also been prepared in accordance with applicable International Financial Reporting Standards as adopted in Bangladesh, namely, Bangladesh Financial Reporting Standards (BFRSs) with reference to disclosures of accounting policies and valuation of investment.

2.2 Basis of Presentation:

These Financial Statements have been prepared on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 (as amended in 1997),

the listing rules of Dhaka and Chittagong Stock Exchange and other applicable laws and regulations in Bangladesh and practice generally followed by the insurance sector. The Balance sheet has been prepared in accordance with Part-I and "From A" and Part II of the First Schedule. The revenue account for fire, marine, motor and miscellaneous business has been prepared in accordance with "Form F" in Part II of the Third Schedule of Insurance Act 1938. Statement of Cash Flow and Statement of Changes in Equity has been prepared in accordance with BFRSs.

2.3 Disclosure Differs:

Northern General Insurance Company Limited has followed the BASs/BFRSs provisions to that extent which is not restricted by the Insurance Act and Rules as outlined below:

2.3.1 Valuation of Investment:

BAS 39 provides to disclose unrealized gain/loss in investment in shares through comprehensive income. But this is restricted in accordance with the provisions of Insurance Act and Rules.

2.3.2 Provision for Insurance Premium:

Depending on business, certain percentage of premium income is to be made as provision in accordance with Insurance Act and Rules. But, this is not in commensurate to the provision of BAS 37.

2.3.3 Comprehensive Income Statement:

Northern General Insurance Company Limited does not require preparing a single Comprehensive Income Statement other than the Income Statement prepared in accordance with the templates stipulated by Insurance Act and Rules.

2.3.4 IRDA Guidelines:

Mandatory investment has to be made as per IDRA instructions which are not required in accordance with BASs/BFRSs.

2.4 Going Concern:

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These do not include any adjustments for which Northern General Insurance Company Limited is unable to continue as a going concern.

2.5 Functional and Presentation Currency:

These financial statements are presented in BD Taka, which is the company's functional currency except as indicated otherwise.

2.6 Use of Estimates and Judgments:

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses for which actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when revised and in any future periods affected.

2.7 Materiality and Aggregation:

Each material item has been presented separately in the financial statements being significant consideration of the management. No amount has been set off unless the Northern General Insurance Company Limited has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a basis only when permitted by the relevant accounting standards.

2.8 Investment in Share and Redeemable Bond:

Investments are initially recognized at cost including acquisition charges. The investments in marketable ordinary shares have been valued at market price. Investment in redeemable bond has been valued at cost. Provision for diminution value of shares as on closing of the year is made in the financial statements.

2.9 Cash and Cash Equivalents:

Cash and cash equivalents consist of cash, cash in clearing account, FDR and bank balances. For the purpose of statement of cash flow, cash and cash equivalents are arrived at after net off bank overdrafts, if any.

2.10 Cash Flow Statements:

Cash flow statement is prepared in accordance with BAS 7 "Statement of Cash Flows". Cash flows from operating activities have been presented at "Direct Method".

2.11 Earnings Per Share [EPS]: TK. 1.63 [BAS 33]:

Earnings Per Share (BAS - 33) is calculated by applying the formula of net profit after tax divided by number of shares as follows:

Particulars	2017	2016
Net Profit after Tax for the year (Taka)	69,420,935	66,211,419
Ordinary Shares (Number)	42,659,611	42,659,611
Face value per share (Taka)	10	10
Basic Earnings Per Share (Taka)	1.63 (Approx)	1.55 (Approx)

It is relevant to note that the Company has changed its face value per share from Tk. 100 to Tk. 10 vide 6th EGM held on November 24, 2011.

2.12 Revenue Recognition [BAS 18]:

2.12.1 Premium is recognized when insurance policies are issued. The sum of premium income as appeared in Revenue Accounts is net of the refund made, Re-insurance ceded and Re-insurance premium on PSB.

2.12.2 The premium in respect of Company's share of Public Sector Insurance Business (PSB) has been accounted for in the year in which the relevant statement of accounts received from Shadharan Bima Corporation (SBC). The statements of account for the period from July 2016 to June 2017 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly.

2.12.3 Amounts received, against issue of Cover Notes which have not been converted into Policies for the purpose of recognition, as income at the earlier date of Cover Notes converted into Policies or after expiry of nine months of issuing Cover Notes.

2.12.4 Re-insurance commission is recognized as revenue over the period in which the related services performed.

2.12.5 Interest on Fixed Deposit Receipts (FDR) and Bangladesh Govt. Treasury Bond is recognized as revenue on accrual basis.

2.12.6 Capital gain/ (loss) from dealing with listed companies' shares are recognized in the accounts as and when arisen or incurred. Dividend income is recognized on cash basis.

2.13 Benefits, Claims and Expenses Recognition:

2.13.1 Gross Benefits and Claims:

General insurance claims include all claims occurring during the year relates to internal and external/external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

2.13.2 Re-insurance Claims:

Re-insurance claims are recognized when the related gross insurance claim determined according to the terms of the relevant contract.

2.13.3 Employment Benefits [BAS 19]:

The company's employment benefits to eligible employees comprise of recognized contributory provident fund and group insurance scheme. Assets of provident fund are held under separate trustee as per the provident fund rules. Provident Fund is contributed by the employees and the company at pre-determined rates. Employees are entitled to get company's contribution to provident fund after completion of minimum five years of service in the company. The company's contributions to the provident fund, group insurance and provision for gratuity have been charged as revenue expenditure. The provision for gratuity has not been made during the year as provision is adequate.

2.14 Provision for Outstanding Claim:

This has been recognized on estimates in the accounts on the basis of expected claims including incidental cost whether reported or not on the date of reporting.

2.15 Reserve or Contingencies:

2.15.1 Un-expired Risk:

Surplus/(deficit) on Revenue Accounts has been arrived at after making necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

2.15.2 Reserve for Exceptional Loss:

Reserve for Exceptional Losses Tk. 25,000,000 was appropriated out of current year's profit before tax as reserve to meet exceptional losses under 4th schedule of Income Tax Ordinance 1984.

2.15.3 Revaluation Surplus:

This has been recognized in the accounts in year 2014 being difference amount of revalued assets and depreciated assets, that is, the surplus value of revalued and depreciated assets. Revaluation Surplus has been transferred to Retained Earnings as per BAS 16.

2.16 Interest Expense:

The company has incurred interest and related expenses on account of overdraft and short term loan. In terms of provision of the Bangladesh Accounting Standard (BAS) 1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

2.17 Allocation of Management Expenses (Note 19):

Management expenses have been allocated to all Revenue Accounts in proportion to their gross premium.

2.18 Property, Plant & Equipments:

2.18.1 Recognition and Measurement:

The cost of an item of Fixed Assets shall be recognized as an asset if, and only it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit or Loss account during the financial period in which they are incurred.
Office Floor Space have been revalued in the year 2014 by an independent organization, named as "Jorip O Paridarshan Company Limited" to reflect the fair value at prevailing market price.

2.18.2 Depreciation on Property, Plant & Equipments:

Fixed assets are depreciated applying the Reducing Balance method consistently, as per BAS 16 for addition of assets; depreciation is charged from the date of capitalization up to the date immediately preceding the date of disposal. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate.
According to BAS 8 Management has estimated the useful life of Floor Space (including undivided proportionate land) and as such the depreciation of the related asset is changed and accounted for on new rate of 2.50%.

The rate of Depreciation used on the assets is as follows:

Name of Asset	Rate	Name of Asset	Rate
Furniture and Fixture	10%	Telephone Installation	15%
Type Writer and Office Equipments	15%	Office Decoration	10%
Electric Fan	15%	Office Floor Space	2.5%
Air Conditioner and Refrigerator	20%	Library Books	20%
Motor Vehicle	20%	Computer	20%
Motor Cycle	20%		

The value of all assets at December 31, 2017 as shown in the Balance Sheet and in the Classified Summary of Assets have been prepared following the regulations and Form AA, Part II, First Schedule of the Insurance Act 1938. The said assets have been set forth in the Balance Sheet at amounts of their respective book values and such value does not exceed their aggregate market value.

2.18.3 Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss (if any). Intangible assets are recognized when all the conditions for recognition as per BAS 38 intangible assets are met.
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

2.18.4 Sale of Property, Plant & Equipments:

Sale price of Fixed Assets are determined on the basis of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as being the difference between sales proceeds and carrying amount of the asset so recognized as per provision of BAS 16 "Property, Plant & Equipments".

2.18.5 Impairment:

If the recoverable amount of asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as expenses in the Income Statement.

2.18.6 Leased Assets [BAS 17]:

The Company acquired 4 (Four) vehicles under operating lease finance for five years from IDLC Finance Ltd. In 2013 and 2014. These were not recorded as fixed assets in the books of the Company, as these were taken on operating lease. Lease rental paid for these assets have been charged to revenue account. Lease rental to be paid for one year and for two to five years is Tk. 18,76,020.00 and Tk.5,90,040.00 respectively.

2.19 Taxation:

Income tax on earnings for the year comprises current and deferred tax which is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

2.19.1 Current Tax:

Current tax is the expected tax payable on taxable income for the year based on the taxes rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or Assets) to the extent that it is unpaid (or refundable).

Provision for income tax has been made at best estimate keeping in view with the provisions of Income Tax Ordinance 1984 and amendment made thereto from time to time. Applicable rate of income tax for the company is 40% as per Finance Act 2017.

2.19.2 Deferred Tax [BAS 12]:

The Company recognized deferred tax in accordance with the provision of BAS 12. This arises due to temporary difference deductible or taxable for the events or transaction recognized in the profit and loss account. A temporary difference is the difference between tax bases of an asset or liability and its carrying amount/reported amount in the financial statements. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets/liabilities do not create a legal liability/recoverability to and from the income tax authority.

2.20 Accounting for Changes in Accounting Estimates:

BAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

2.21 Related Party Disclosure:

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 21.1

2.22 Contingent Liabilities and Contingent Assets:

The company does not recognize contingent liability and contingent assets. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that cannot be measured reliably.

The company has a writ petition against VAT on agent commission under the service code S 099.20 "Other Miscellaneous Service" and the entity obtained a stay order by the High Court Division of the Supreme Court of Bangladesh.

2.23 Branch Accounting:
The company has 25 branch offices (including Head Office) with no overseas branch as on December 31, 2017. Accounts of the branches are maintained at the head office which is included in the accompanying financial statements.

2.24 Consistency of Presentation:
In accordance with the BFRS framework for the presentation of financial statements together with BAS 1 and BAS 8, Northern General Insurance Company Limited applies the accounting disclosure principles consistently from one period to the next. For selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS 8 and applied the same accounting and valuation principles in 2017 as in financial statements for 2016 (unless otherwise stated).

2.25 Comparative Information:
Comparative information has been disclosed in respect of the period ended December 31, 2017 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements.

2.26 Reporting Currency:
The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's financial currency.

2.27 Rounded off and Rearrange of Figures:
Figures appearing in these Financial Statements have been rounded off to the nearest Taka. Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

2.28 Reporting Period:
These financial statements have covered under audit for twelve months' period from January 01, 2017 to December 31, 2017.

2.29 Directors Responsibility:
The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements.

2.30 Events after the Balance Sheet Date:
The Board of Directors has recommended 10% cash dividend totaling Tk.42,659,611 on paid-up capital of Tk. 426,596,110 for the year ended December 31, 2017 at its 188th Board meeting held on April 30, 2018 subject to the approval of the AGM.
Under Bangladesh Accounting Standard (BAS) 10: Events after the reporting period, dividend was declared after the balance sheet date should not be classified as a liability at the balance sheet date, as the proposed dividend does not represent a present obligation under BAS 37: Provisions, contingent liabilities and contingent assets.

2.31 Approval for Issuing Financial Statements:
The Board of Directors has approved these Financial Statements on April 30, 2018.

2.32 Risk Analysis:
Risk analysis for insurance business is difficult to estimate the uncertainty in taking and managing the risk by chronological identification of unascertained risk, mitigating approach of risk and continuing efforts to equate the risk at reasonable level. This, inter alia, includes

(a) **Insurance Product Risk:**
In non-life insurance business, the product selection is one of the important factors for the company. Product with less uncertainty with lower cost can facilitate to secure more risk coverage. Accordingly, high risk is more related to the capital strength and credit rating of the company. Necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

(b) **Operational Risk:**
This is in association of all departmental effort within the company to ensure the sufficient coverage for the uncertainty of particular policy selection. It varies in accordance with the nature of products offered to the insured. Guideline for selection of offered product and monitoring the same are effective when fencing the risk at the level of estimate.

(c) **Strategic Market Risk:**
This indicates to identify and quantify the inherent risk of the products for the insured in competitive market. Product with low risk should be encouraged to minimize risk.

(d) **Underwriting Risk:**
This is involved in loss events coverable under contract or agreement with the insured and the volume or size of the coverable loss. It relates to selection, pricing, monitoring and technical provision. However, risk with excessive volume is jointly shared by two or more insurers. In such circumstances, non-life insurance business with different products has been carried out with approved guideline.

(e) **Reinsurance Risk:**
Reinsurance has an influence basing the capital strength and rating aspects. Treaty limit is outlined by the amount of risk which can be ceded to other re-insurer. It depends on the nature of risk to be taken by the company. As such, technical provision has been estimated by way of covering the reasonable and probable obligations with respect to claims for known or un-known uncertainty.

(f) **Investment Risk:**
This relates to market, credit and liquidity of the company and as such, investments consist of assets covering the technical provisions and shareholders' equity. Accordingly, investment plan has been designed in such manner to accommodate inherent risk.

(g) **Liquidity Risk:**
This indicates to pay the claim on demand and the company needs to liquidate or convert assets to meet the obligation as and when arise.

(h) **Credit Risk:**
The Company follows IDRA instructions with respect to issuing of policies, that is, policies were not issued on credit.

(i) **Default Risk:**
It indicates default in paying off the claims on demand when third party involved in such approach. At the time, the company needs to have sufficient liquidity to pay off the claims on demand and to fulfill the contractual obligation.

(j) **Legal and Regulatory Risk:**
There is legal and regulatory obligation to follow and abide by the restricted rules and regulation in carrying out the business which do not conform to the competitive market for procuring business. As such, non-compliance to rules and regulation may invite risk to the employment of the company.

		Amount in taka	
		31-Dec-2017	31-Dec-2016
3.	**Share Capital :**		
3.1	**Authorized Share Capital :**		
	100,000,000 ordinary shares of Tk. 10 each	1,000,000,000	1,000,000,000
3.2	**Issued, Subscribed and Paid up Capital :**		
	Issued against cash	150,000,000	150,000,000
	Issued against bonus share	276,596,110	237,814,650
		426,596,110	387,814,650

3.2.1 **Group wise shareholding position as on December 31, 2017 are given below :**

Shareholder Group	No. of Shareholder	No. of Shares	Percentage
Sponsors	16	15,454,010	36.23%
Institutional Investors	64	17,537,300	41.11%
General Investors	3,480	9,668,301	22.66%
Total	**3,560**	**42,659,611**	**100.00%**

3.2.2 **Range wise shareholding position as on December 31, 2017 are given below :**

Share holding range	No. of Shareholder	No. of Shares	Percentage
000001-005000	3,282	2,950,846	6.92%
005001-050000	228	3,226,420	7.56%
050001-100000	11	841,901	1.97%
100001-200000	6	843,913	1.98%
200001-300000	4	1,010,826	2.37%
300001-400000	3	1,017,674	2.39%
400001-500000	2	933,635	2.19%
500001- Over	24	31,834,396	74.62%
Total	**3,560**	**42,659,611**	**100.00**

3.2.3 **Shareholding position of Sponsor/Director as on December 31, 2017 are as follows:**

Sl. No.	Name of the Directors/Sponsor	Class of Share	No. of Shares	Nominal value	Taka
01	Mr. S. M. Ayub Ali Chowdhury	Ordinary	1,092,504	10	10,925,040
02	Mr. Md. Sarwar Salim	Ordinary	941,897	10	9,418,970
03	Al-haj Nasiruddin	Ordinary	927,111	10	9,271,110
04	Mr. Abdul Matin	Ordinary	927,111	10	9,271,110
05	Mr. Mohd. Azam	Ordinary	984,385	10	9,843,850
06	Al-haj Md. Saiful Alam	Ordinary	834,231	10	8,342,310
07	Ms. Thamina Rahman	Ordinary	1,245,647	10	12,456,470
08	Mr. Hamidul Haq	Ordinary	33,456	10	334,560
09	Mr. Faysal Ahmed Patwary	Ordinary	1,245,645	10	12,456,450
10	Mrs. Ferdousi Islam	Ordinary	1,245,647	10	12,456,470
11	Al-haj Md. Shafiul Azam	Ordinary	1,171,111	10	11,711,110
12	Al-haj Abdus Samad	Ordinary	927,111	10	9,271,110
13	Mr. Shahriar Khaled	Ordinary	927,111	10	9,271,110
14	Mr. Arshadul Alam	Ordinary	1,245,647	10	12,456,470
15	Ms. Maimuna Khanam	Ordinary	778,285	10	7,782,850
16	Al-haj Md. Mortaza Siddique Chowdhury	Ordinary	927,111	10	9,271,110
Total			**15,454,010**		**154,540,100**

3.2.4 Bonus share

The Company has issued bonus share for Tk. 38,781,460 (roudnded off) being 10% of paid up capital on Tk. 387,814,650 for the year 2016.

3.2.5 Change in face value of each share

The company has amended relevent clause of Memorandum and Articles of Association in the 6th EGM held on November 24, 2011 to comply SEC's order regarding changing the share denomination from Tk.100.00 to Tk.10.00 each.

	Amount in taka	
4. Reserve for Exceptional Losses : Tk. 163,031,170	**31-Dec-2017**	**31-Dec-2016**
This is arrived at as under:		
Balance as at January 01, 2017	138,031,170	113,031,170
Add : Provision for the year	25,000,000	25,000,000
Balance as at December 31, 2017	**163,031,170**	**138,031,170**
5. Revaluation Surplus : Tk. 183,467,942		
This represents revaluation of Office Floor Space and arrived at as under:		
Balance as at January 01, 2017	188,172,248	214,441,308
Less : Transferred to Retained Earnings	(4,704,306)	(26,269,060)
Balance as at December 31, 2017	**183,467,942**	**188,172,248**
6. Profit or loss Appropriation Account : Tk. 78,269,063		
This is arrived at as under:		
Balance as at January 01, 2017	67,925,282	41,996,373
Less : Appropriation for issue of bonus share	38,781,460	41,551,570
	29,143,822	444,803
Add : Profit during the year	44,420,935	41,211,419
Add : Transferred from Revaluation Surplus	4,704,306	26,269,060
Balance as at December 31, 2017	**78,269,063**	**67,925,282**

7. Premium Deposit : Tk. 8,078,860

This represents the balance of premium received against Cover Notes during the year for which Policies were not issued within December 31, 2017.

8. Estimated liability in respect of outstanding claims whether due or intimated : Tk. 32,428,688

The break-up of the amount with estimated numbers of claim against policies is as under:

Sl. No.	Class of business	Taka	
01	Fire	8,090,000	2,050,500
02	Marine	7,530,000	14,075,000
03	Motor	16,462,438	7,835,342
04	Miscellaneous	346,250	689,850
Total		**32,428,688**	**24,650,692**

9. Amount due to other persons or bodies carrying on insurance business : 69,951,953 42,344,509

The above amount is payable to Shadharan Bima Corporation on account of re-insurance arrangements and co-insurance scheme to other General Insurance Companies.

10. Sundry Creditors : Tk.221,537,966

The break-up of the amount is as under :

Sl. No.	Head of accounts	Taka	
01	Audit fees payable	833,825	839,575
02	VAT Payable	3,036,156	2,133,203
03	Employees' Tax deduction at source	56,594	61,318
04	Security Deposit	35,000	35,000
05	Share Subscription	4,435,895	4,435,895
06	Provident Fund Payable	3,516,364	3,880,586
07	Shareholders Account	1,321,052	1,314,596
10	Provision for Income Tax	207,637,747	177,697,765
11	Agent Commission Tax	665,333	-
	Total	**221,537,966**	**190,397,938**

11. Investment : Tk. 85,050,194

The break-up of the amount is as under:

		Amount in taka	
		31-Dec-2017	31-Dec-2016
11.1	Bangladesh Government Treasury Bond - at cost	25,000,000	25,000,000
11.2	FSIB Mudaraba Subordinated Bond	10,000,000	20,000,000
11.3	FSIB 2nd Mudaraba Subordinated Bond	50,000,000	-
11.4	Shares in Listed Companies	50,194	36,160
		85,050,194	**45,036,160**

11.1 Investment in Bangladesh Government Treasury Bond is made as per section 23, schedule - 1 of the Insurance Act - 2010 being statutory deposit with Bangladesh Bank.

11.2 Investment for Tk. 5,00,00,000.00 was made in FSIB Mudaraba Subordinated Bond on 03.12.2012 for six years. Orginally, the interest rate was 15.5% per annum which is reduced to 9%. The investment has been redeemed at 20% per annum since 2014 and the redeemable amount is Tk. 100,00,000.00 as on 31.12.2017.

11.3 Further Investment for Tk. 500,00,000.00 (Tk. 3,00,00,000.00 and 2,00,00,000.00 was made in FSIB 2nd Mudaraba Subordinated Bond on 13.12.2017 and 17.12.2017 respectively) for seven years. Orginally, the interest rate is Mudaraba Term Deposit rate plus 1.25% additional.The investment will be redeemed 20% each year after 2 (two) years from end of 3rd year.

11.4 Details of investment in the shares of listed companies are given below :

Sl. No.	Particulars	Taka	
		Cost	Market value As At 31.12.2017
01	Aftab Auto Limited	567	385
02	BD Finance Limited	605	432
03	Beacon Pharma Limited	20,545	5,325
04	Dhaka Bank Limited	1,947	1,848
05	Eastern Bank Limited	387	562
06	Exim Bank Limited	393	1,359
07	Fine Foods Limited	-	8,259
08	Islami Bank Limited	274	293
09	Islami Insurance Limited	10,454	16,267
11	National Bank Limited	2,165	1,105
12	Paramount Insurance Limited	11,772	3,770
13	Premier Leasing International Limited	15,212	8,313
14	Prime Finance Limited	2,005	378
15	Pubali Bank Limited	466	365
16	Rupali Insurance Limited	216	82
17	Summit Power Limited	151	215
18	Uttara Finance Limited	1,595	1,236
	Total	**68,754**	**50,194**

The above investment in marketable securities that are designated as available for sale by the management. These are measured at fair value and presented as non current assets.

12. Interest accrued (but not due): Tk. 8,257,787
This represents accrued interest on Fixed Deposits with the different banks and in Bangladesh Treasury Bond as summarized below:

		Amount in taka	
		31-Dec-2017	31-Dec-2016
12.1	Bangladesh Govt. Treasury Bond	952,806	952,806
	Fixed Deposit with different banks	6,343,583	9,847,650
	FSIB Mudaraba Subordinate Bond	961,398	295,000
		8,257,787	**11,095,456**

12.1 Bangladesh Govt. Treasury Bond:
Investment in Bangladesh Government Treasury Bond was purchased through AB Bank Limited, Principal Branch, Dhaka. Accrued interest is calculated at the rate varied from 9.55% to 12.10% .

13. Amount due from other persons or bodies carrying on insurance business: **362,829,068** **353,203,139**

The above amount is due from Shadharan Bima Corporation on account of re-insurance arrangements, public sector business and co-insurance scheme to other General Insurance Companies.

14. Sundry Debtors : Tk. 213,337,014

(including advance taxes, others advances , deposits and pre-payments)
The break-up of the amount as under :

Sl. No.	Particulars	31-Dec-2017	31-Dec-2016
01	Advance Income Tax	179,415,454	154,004,545
02	Advance Tax deduction at source	31,284,717	30,473,945
03	Advance office rent	2,236,843	2,846,370
04	Security Deposit with CDBL	300,000	300,000
05	Advance payment for printing of desk celender	100,000	-
	Total	**213,337,014**	**187,624,860**

It is to mention that paid amount of advance tax and tax deduction at source to be adjusted against provision of completed assessment years.

15. Cash and Cash Equivalents: Tk. 290,809,254

The break-up of the amount is as under:

15.1	Fixed Deposit with banks	206,212,116	166,835,855
15.2	Balance with banks	79,448,742	43,554,788
15.3	Cash in hand (including cash at branches)	5,148,396	11,137,311
		290,809,254	**221,527,954**

15.1 Fixed Deposit with banks : Tk. 206,212,116

Sl. No.	Name of Bank	Amount in taka	
01	Al Arafah Islami Bank Limited	7,130,138	3,920,176
02	AB Bank Ltd.	1,000,000	-
03	Bank Alfalah Limited	-	2,677,928
04	Bank Asia Limited	5,269,446	2,634,726
05	BASIC Bank Limited	858,638	821,054
06	BRAC Bank Limited	1,683,401	1,136,863
07	Dhaka Bank Limited	5,855,328	4,681,614
08	Dutch Bangla Bank Limited	4,755,163	4,086,198
09	Eastern Bank Limited	3,405,405	3,343,344
10	Exim Bank of Bangladesh Limited	10,307,791	7,128,300
11	First Security Islami Bank Limited	15,112,533	32,287,557
12	IFIC Bank Limited	3,461,608	3,794,745
13	Islami Bank Bangladesh Limited	6,787,246	6,252,592
14	Janata Bank Limited	4,084,423	3,900,591
15	Marcentile Bank Limited	4,013,914	2,873,333
16	Mutual Trust Bank Limited	3,424,614	3,264,035
17	National Bank Limited	3,036,157	2,901,858
18	NCC Bank Limited	6,306,904	6,015,270
19	One Bank Limited	1,522,628	1,450,443
20	Premier Bank Limited	1,923,223	1,901,738

Sl. No.	Name of Bank	Amount in taka	
		31-Dec-2017	31-Dec-2016
21	Prime Bank Limited	5,758,308	5,263,616
22	Pubali Bank Limited	623,678	594,588
23	Rajshahi Krishi Unnayan Bank	1,363,804	1,312,424
24	Rupali Bank Limited	1,343,404	1,280,318
25	Social Islami Bank Limited	13,493,073	7,514,720
26	Sonali Bank Limited	9,310,662	8,908,462
27	Southeast Bank Limited	5,584,613	2,934,767
28	Standard Bank Limited	2,228,896	2,105,099
29	Shahjalal Islami Bank Limited	4,970,261	2,359,327
30	The City Bank Limited	825,411	786,480
31	IDLC Finance Limited	-	507,594
32	Trust Bank Limited	837,822	795,372
33	United Commercial Bank Limited	7,086,129	6,300,982
34	Uttara Bank Limited	1,272,805	1,220,285
35	Bangladesh Commerce Bank Limited	900,000	2,541,819
36	NRB Commercial Bank Limited	5,719,927	2,646,674
37	NRB Global Bank Limited	1,441,243	1,659,996
38	Meghna Bank Limited	1,026,750	1,114,054
39	Industrial Promotion and Development of BD Ltd.	1,588,747	1,032,319
40	International Leasing and Financial Service Ltd.	2,709,721	2,541,250
41	Jamuna Bank Ltd.	-	513,000
42	Reliance Finance Ltd.	43,035,088	17,312,118
43	The Farmers Bank Limited	1,553,215	518,226
44	Lanka Bangla Finance Ltd.	500,000	-
45	Union Bank Ltd.	500,000	-
46	Modhumoti Bank Ltd.	500,000	-
47	Midland Bank Ltd.	500,000	-
48	CAPM Venture Capital & Finance Ltd.	1,600,000	-
	Total	**206,212,116**	**166,835,855**

15.2 Balance with banks :

This represents the balance in STD accounts with different banks. We have circularized the balance confirmation letter to the bank to confirm the balance directly to the Auditors. But they said to have not received any reply till to the date of this report.

15.3 Cash in hand :

This represents petty cash of head office and branches and also CD account balances of the branches. Management has certified the closing petty cash in hand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2017

16.Property, Plant & Equipments : Tk. 320,335,579

Particulars	Cost				Depreciation		Written down value as at 31.12.2017
	Written Down Value as at 01.01.2017	Addition during the year	Sales/ Disposal during the year	Balance as at 31.12.2017	Rate	Charged during the year	
Furniture and Fixture	3,887,958	45,240	-	3,933,198	10%	393,320	3,539,878
Type Writer and Office Equipments	979,766	35,265	-	1,015,031	15%	152,255	862,776
Electric Fan	35,295		-	35,295	15%	5,294	30,001
Air Conditioner and Refrigerator	1,288,507	317,100	-	1,605,607	20%	321,121	1,284,486
Motor Vehicle	4,760,587	27,050,000	-	31,810,587	20%	5,178,784	26,631,803
Motor Cycle	74,223		-	74,223	20%	14,845	59,378
Telephone Installation	80,379		-	80,379	15%	12,057	68,322
Office Decoration	14,538,370		-	14,538,370	10%	1,453,837	13,084,533
Office Floor Space	279,922,500		-	279,922,500	2.5%	6,998,063	272,924,437
Library Books	25,354		-	25,354	20%	5,071	20,283
Computer	1,892,189	394,913	-	2,287,102	20%	457,420	1,829,682
As at December 31, 2017	307,485,128	27,842,518	-	335,327,646		14,992,067	20,335,579
As at December 31, 2016	316,159,044	2,754,482	-	318,913,526		11,428,39	307,485,128

17. Intangible Assets : Tk. 277,392

Particulars	Cost				Depreciation		Written down value as at 31.12.2017
	Written Down Value as at 01.01.2017	Addition during the year	Sales/ Disposal during the year	Balance as at 31.12.2017	Rate	Charged during the year	
Software Installation	384,435	42,322	-	426,757	35%	149,365	277,392
As at December 31, 2017	384,435	42,322	-	426,757		149,365	277,392
As at December 31, 2016	591,438	-	-	591,438		207,003	384,435

		Amount in taka	
		31-Dec-2017	31-Dec-2016
18.	**Deferred Tax [BAS 12] :**		
18.1	**Deferred Tax Assets :**		
	Book value of depreciable fixed assets	320,335,579	307,869,563
	Less: Tax base	319,284,073	307,633,122
	Taxable Temporary differences	**1,051,506**	**236,441**
	Effective Tax Rate [is considered as per Finance Act, 2017]	40.00%	40.00%
18.2	**Deferred Tax Expense/(Income) : Tk. (326,026)**		
	Opening deferred tax assets	94,576	117,510
	Closing deferred tax assets	420,602	94,576
	Total Deferred tax expense /(Income)	**(326,026)**	**22,934**
18.2.1	**Decrease in deferred tax assets over the year : Tk. 420,602**		
	The break-up of the amount is as under :		
	Balance as at January 31, 2017	94,576	117,510
	Deduction during the year	326,026	(22,934)
	Balance as at December 31, 2017	**420,602**	**94,576**
18.3	**Current year provision for Taxation : Tk. 29,939,982**		
	Break-up of the above is as under:		
	Current Year's Provision	29,613,956	27,489,568
	Deferred Tax expenses/(Income)	326,026	22,934
		29,939,982	**27,512,502**
19.	**Expenses of Management : Tk. 14,172,609**		
	The following expenses were incurred for management of the company's total business but not related to any particular fund or identical business.		
	Insurance Premium on Office Car	1,150,011	327,796
	Bank Charges	637,122	715,463
	Meeting Expenses	378,250	323,950
	Crockeries and Cutleries	-	410
	Advertisement and Publicity	833,002	1,308,864
	Traveling and Conveyance	248,310	347,950
	Lease Rental	2,753,760	3,724,440
	AGM Expenses	337,200	334,850
	Festival Allowance	4,289,038	4,760,776
	Annual listing fee	629,943	676,074
	Branch Managers Conference	185,177	315,750
	Group Insurance Premium	583,532	555,636
	Contribution to Provident Fund	2,147,264	2,972,878
		14,172,609	**16,364,837**

	Amount in taka	
	2017	2016

20. Expenses of Management : Tk. 57,148,487

These expenses were incurred in consolidation of identical business as below:

Salaries and allowances	35,720,963	35,859,782
Wages	150,000	195,000
Postage and Telegram	340,069	388,350
Printing	1,618,598	2,595,640
Stationery	330,308	236,655
Conveyance	447,026	536,650
Training Fee	5,750	31,050
Entertainment	826,136	866,250
Electrical Expenses	55,265	67,075
Office Contingency and General Charges	364,982	244,930
Telephone, Trunk Call and Telex	584,908	1,326,356
Car Maintenance	518,196	52,780
Internet Charge	738,160	1,071,793
Interest on Overdraft	-	2,450,914
Office Rent	8,157,934	6,873,664
Garage Rent	-	26,500
Gas, Water and Electricity Charges	1,208,399	873,593
Service Charges	974,400	92,751
Papers and Periodicals	22,640	215,482
Holding Tax	3,780	1,270
Misc. Expenses	560,396	685,342
Management Expenses SBC	3,712,497	3,184,501
Stamp Duty consumed - Fire	195,850	174,500
Stamp Duty consumed - Motor	525,630	322,685
Stamp Duty consumed - Miscellaneous	86,600	89,800
	57,148,487	**58,463,313**

20.1 The above expenses were allocated to respective revenue account on the basis of premium earned during the year under audit as follows:

Revenue Account	Taka			Percentage of Allocation (%)
	General Expenses	Direct Expenses	Total Management Expenses	
Fire	21,577,443	590,490	22,167,933	41%
Marine	14,735,815	1,351,553	16,087,368	28%
Motor	8,946,745	723,293	9,670,038	17%
Miscellaneous	7,367,907	1,855,241	9,223,148	14%
Total for the year 2017	**52,627,910**	**4,520,577**	**57,148,487**	**100%**
Total for the year 2016	**54,691,827**	**3,771,486**	**58,463,313**	**100%**

21. Related Party Disclosure: [BAS - 24]

21.1 Related Party being Directors:

Directors' involvement in other Firms/ Companies are details below:

Sl. No.	Name of Directors	Status With NGICL	Name of the Firms/ Companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employees etc.		Position in the Firms/ Companies
01	Mr. Abdul Matin	Chairman	1	Metropolitan Medical Center Limited	Chairman
			2	Rupali Life Insurance Company Limited	Alternate Director
			3	Modern Textile Mills	Proprietor
			4	Modern Dying and Screen Printing Limited	Managing Director
			5	Narsingdi Hatchery and Fisheries Limited	Chairman
02	Mr. Mohammad Azam	Vice Chairman	1	Zia and Brothers	Proprietor
			2	Boshra Trading	Proprietor
03	Mr. S. M. Ayub Ali Chowdhury	Director	1	City Pharmaceuticals Limited	Chairman
			2	K. B. Knit Fashion Limited	Chairman
			3	Fortune Fashion Limited	Chairman
04	Mr. Md. Sarwar Salim	Director	1	Panwin Fashion Limited	Managing Director
			2	Panwin Garments Limited	Managing Director
			3	Panwin Designs Limited	Managing Director
			4	Pantax Accessories (Pvt) Limited	Managing Director
			5	Western Developers Limited	Director
05	Al-haj Nasiruddin	Director	1	Nasim Trading Company	Proprietor
			2	Nams Trade Corporation	Proprietor
			3	J. A. N. Corporation Limited	Managing Director
06	Ms. Thamina Rahman	Director		Not Applicable	
07	Mr. Faysal Ahmed Patwary	Director	1	Patwary Potato Flakes Limited	Director
			2	Greentech Greenhouse Bangladesh Limited	Director
			3	Patwary & Associates	Proprietor
08	Mrs. Ferdousi Islam	Director	1	China Bangla Ceramic Industries Limited	Chairman
			2	China Bangla Engineering & Technology Services Limited	Chairman
			3	BajnaboTextile Mills Limited	Chairman
			4	Trustee Securities Limited	Managing Director
			5	Bangal Tiger Cement Industries Limited	Director
			6	Total Merchandising & Trims Limited	Director
			7	United Shipping Lines Limited	Director
			8	Dhaka-Foshan Mould Company Limited	Director
			9	Azbal International Limited	Chairman
			10	Bajnabo Creamic Industries Limited	Director
			11	Rajanigondha Cargo Limited	Director
09	Mr. Md. Shafiul Azam	Director	1	Ambia Apperals Limited	Director
			2	Ambia Sweaters Limited	Director
			3	Ambia Steel & Re-Rolling Mills Limited	Director
			4	Ambia Accessories Limited	Director
			5	S. A. Chemical Industries Limited	Director

			6	Ambia Tank Terminal Limited	Director
			7	Ambia Holdings Limited	Director
			8	M/s A. H. Trading	Director
			9	M & M Navigation Company Limited	Director
			10	Patenga Builders Corporation Limited	Director
			11	Ocean Construction Limited	Director
10.	Prof. Dr. Zainab Begum	Independent Director		Not Applicable	
11.	Al-haj Abdus Samad	Director	1	Al-Arafah Islami Bank Limited	Chairman (BOD) & Promoter Shareholder/Director
			2	S. Alam Power Plant Limited	Managing Director
			3	Karnaphuli Prakritik Gas Limited	Managing Director
			4	S. Alam Hatchery Limited	Chairman
			5	S. Alam Soyaseed Extraction Plant Limited	Chairman
			6	S. Alam Tank Terminal Limited	Chairman
			7	S. Alam Cold Rolled Steels Limited	Chairman
			8	S. Alam Steels Limited	Chairman
			9	S. Alam Cement Limited	Chairman
			10	Portman Cements Limited	Chairman
			11	S. Alam Brothers Limited	Chairman
			12	S. Alam Properties Limited	Chairman
			13	S. Alam Luxury Chair Coach Services Limited	Chairman
			14	S. Alam Super Edible Oil Limited	Sponsor Shareholder
			15	S. Alam Vegetable Oil Limited	Sponsor Shareholder
			16	S. Alam Power Generation Limited	Chairman
			17	SS Power I Limited	Nominee Director
			18	Norinco Engineering Limited	Director
			19	Ekushey Television Limited	Vice Chairman
			20	Reliance Finance Limited	Nominee Director
			21	Sonali Cargo Logistics (Pvt.) Limited	Chairman
			22	AIBL Capital Market Services Limited	Promoter Shareholder/Director
			23	Marine Empire Limited	Managing Director
			24	Samad Trading Agency	Proprietor
			25	Fatehabad Farm Limited	Chairman
12.	Mr. Shahriar Khaled	Director	1	MAKSONS (Bangladesh) Limited	Director
			2	MAKSONS Associate Limited	Director
			3	MAKSONS Bay Limited	Director
			4	Prime Financial Securities Limited	Director
			5	Prime Properties Holdings Limited	Director
			6	Fareast Islami Life Insurance Limited	Director
			7	PFI Properties Limited	Director
			8	Fareast Stocks & Bonds Ltd.	Director
			9	Prime Finance Capital Management Ltd.	Director
			10	MAK Foundation	Member, Boad of Trustees
			11	Primeasia Foundation & Primeasia University	Member, Boad of Governors

13.	Al-haj Md. Mortaza Siddique Chowdhury	Director	1	Diganta Media Corporation Limited	Sponsor Shareholder
			2	Reliance Finance Limited	Director
			3	Mortaza Assets Limited	Managing Director
			4	MARSA Holding Limited	Chairman
			5	MARSA Trading Limited	Proprietor
			6	Union Bank Limited	Director
			7	MARSA Fishing Limited	Chairman
			8	Parkview Hospital Limited	Vice Chairman
14.	Mr. Mohammed Rafique	Independent Director	1	M. M. Corporation	Proprietor
15.	Al-haj Md. Saiful Alam	Public Director	1	Al-Arafah Islami Bank Limited	Sponsor Shareholder
			2	Karnaphuli Prakritik Gas Limited	Chairman
			3	First Security Islami Bank Limited	Chairman
			4	First Security Islami capital & Investment Limited	Chairman
			5	S. Alam Hatchery Limited	Managing Director
			6	S. Alam Soyaseed Extraction Plant Limited	Managing Director
			7	S. Alam Tank Terminal Limited	Managing Director
			8	S. Alam Cold Rolled Steels Limited	Managing Director
			9	S. Alam Bag Manufacturing Mills Limited	Managing Director
			10	S. Alam Refined sugar Industries Limited	Managing Director
			11	S. Alam Steels Limited	Managing Director
			12	S. Alam Cement Limited	Managing Director
			13	Portman Cements Limited	Managing Director
			14	S. Alam & Co.	Proprietor
			15	S. Alam Trading Co. (Pvt.) Limited	Managing Director
			16	S. Alam Brothers Limited	Managing Director
			17	S. Alam Properties Limited	Managing Director
			18	S. Alam Luxury Chair Coach Services Limited	Managing Director
			19	S. Alam Super Edible Oil Limited	Sponsor Shareholder
			20	S. Alam Vegetable Oil Limited	Sponsor Shareholder
			21	Norinco Engineering Limited	Chairman
			22	S. Alam Power Generation Limited	Managing Director
			23	Reliance Brokerage Services Limited	Chairman
			24	Reliance Finance Limited	Chairman
			25	Sonali Cargo Logistics (Pvt.) Limited	Managing Director
			26	Fatehabad Farm Limited	Managing Director
			27	Rangdhanu Media Limited	Managing Director
			28	SS Power I Limited	Chairman(BOD) & Nominee Director
			29	Ekushey Television Limited	Chairman

21.2 Transactions with Related Party:

The Company has carried out business through the following related parties and the nature of transactions and value are detailed below :

Sl. No.	Name of the Client	Related to	Nature of transaction	Taka	
				2017	2016
1	Fortune Fashion Limited	Mr. S. M. Ayub Ali Chowdhury	Insurance Premium	979,095	128,402
2	Modern Dying and Screen Printing	Mr. Abdul Matin	Insurance Premium	53,980	5,583
3	S. Alam Cold Rolled Steel Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	157,194	780,611
4	S. Alam Steels Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	43,783	203,963
5	S. Alam Cement Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	350,237	326,730
6	S. Alam Luxury Chair Coach Services Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	182,854	553,199
7	S. Alam Super Edible Oil Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	45,656	833,012
8	S. Alam Vegetable Oil Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	405,637	558,069
9	S. Alam Power Plant Limited	Al-haj Abdus Samad	Insurance Premium	1,023,243	895
10	Portman Cement Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	397	397
11	S. Alam Properties Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	1,744	1,744
12	Reliance Brokerage Services Limited	Al-Haj Md. Saiful Alam	Insurance Premium	1,332	30,324
13	Reliance Finance Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	372,915	191,656
14	S. Alam Refined Sugar Industries Limited	Al-Haj Md. Saiful Alam	Insurance Premium	412,013	-
15	Rangdhanu Media Limited	Al-Haj Md. Saiful Alam	Insurance Premium	1,390	1,485
16	S. Alam Power Generation Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	580	6,523,747
17	Ekushey Television Limited	Al-haj Abdus Samad Al-Haj Md. Saiful Alam	Insurance Premium	7,170	3,220
18	S. Alam Bag Manufacturing Mills Limited	Al-Haj Md. Saiful Alam	Insurance Premium	235,976	349,717
19	Panwin Fashions Limited	Mr. Md. Sarwar Salim	Insurance Premium	2,156,754	1,760,132
20	Pantax Accessories (Pvt.) Limited	Mr. Md. Sarwar Salim	Insurance Premium	2,190,255	470
21	Panwin Designs Limited	Mr. Md. Sarwar Salim	Insurance Premium	11,279,559	11,846,539
22	Panwin Garments Limited	Mr. Md. Sarwar Salim	Insurance Premium	739,071	691,060
23	China Bangla Ceramic Industries Limited	Mrs. Ferdousi Islam	Insurance Premium	1,543,644	290,675

24	Total Merchandising & Trims Limited	Mrs. Ferdousi Islam	Insurance Premium	300,000	200,000
25	United Shipping Lines Limited	Mrs. Ferdousi Islam	Insurance Premium	200,000	100,000
26	Azbal International Limited	Mrs. Ferdousi Islam	Insurance Premium	403,570	203,795
27	Ambia Holdings Limited	Mr. Md. Shafiul Azam	Insurance Premium	397	397
28	PFI Securities Limited	Mr. Shahriar Khaled	Insurance Premium	435	460

22. Compliance of Schedule XI Part II of the Companies Act, 1994 :

The slab of employees' remuneration is given below:

Particulars	No. of Employees	
	2017	2016
Below Taka. 36,000 per year	-	-
Taka.36,000 and above	295	297
Total	**295**	**297**

23. Provisions Relating to Collection of Premium :

The Company has always complied with the Section 18 of the Insurance Act, 2010 as applicable with regard to provision in collecting premium.

24. Restriction on Certain Investment :

Northern General Insurance Company Limited has not made any investment nor holds any shares or debentures of any company, firms or other business concern except FSIB Mudaraba Subordinated Bond, in which any of it's directors or any members of the family of such directors has any interest as Proprietor, Partner, Director, Manager or Managing Agent as per Section 44(3) of the Insurance Act, 2010 .

Managing Director & CEO | Director | Director | Chairman

STATEMENT OF CLASS-WISE UNDERWRITING PROFIT OR LOSS
FOR THE YEAR ENDED ON 31 DECEMBER 2017

Particulars	Amount in taka 2017					2016
	Fire	Marine	Motor	Miscellaneous	Total	
Gross Premium	174,889,063	119,031,647	71,540,789	57,139,412	422,600,911	373,381,925
Add: Premium on Re-insurance Accepted	-	-	-	-	-	-
Less: Premium on Re-insurance ceded	101,901,417	35,546,602	3,943,830	34,001,669	175,393,518	163,700,639
Net Premium Income	72,987,646	83,485,045	67,596,959	23,137,743	247,207,393	209,681,286
Add: Commission on Re-insurance ceded	29,965,591	9,215,137	722,441	8,004,924	47,908,093	37,699,916
Less: Commission on Re-insurance Accepted	-	-	-	-	-	-
Less: Commission	18,665,438	15,182,019	6,208,960	4,060,237	44,116,654	28,739,124
Add: Last year's Unexpired Risks	31,476,032	30,901,171	18,984,886	2,869,615	84,231,704	97,644,153
Sub-Total	**115,763,831**	**108,419,334**	**81,095,326**	**29,952,045**	**335,230,536**	**316,286,231**
Deduct:						
Net Claim	29,900,800	797,467	30,675,428	(34,408)	61,339,287	62,632,008
Management Expenses	22,167,933	16,087,368	9,670,038	9,223,148	57,148,487	58,463,313
Reserve for Unexpired Risks	29,195,058	33,438,603	27,038,784	9,255,097	98,927,542	84,231,704
Sub-Total	**81,263,791**	**50,323,438**	**67,384,250**	**18,443,837**	**217,415,316**	**205,327,025**
Underwriting Profit / (Loss)	**34,500,040**	**58,095,896**	**13,711,076**	**11,508,208**	**117,815,220**	**110,959,206**

Managing Director & CEO | Director | Director | Chairman

Status of compliance of Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards

Annexure - 1

Name of the BAS	BAS No	Status
Presentation of financial statements	1	**
Inventories	2	N/A
Cash flow statement	7	Applied
Accounting policies,change in accounting estimates and errors	8	Applied
Events after the balance sheet date	10	Applied
Construction contracts	11	N/A
Income Taxes	12	Applied
Property,plant and equipment	16	Applied
Lease	17	Applied
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for government grants and disclosure of governments assistance	20	N/A
The effect of change in foreign exchange rates	21	N/A
Borrowing cost	23	Applied
Related party disclosure	24	Applied
Accounting and reporting byretirement benefits plan	26	Applied
Consolidated and separate financial statements	27	Applied
Investment in associates	28	N/A
Investment in joint ventures	31	N/A
Financial instruments: disclosure and presentations	32	**
Earning per share	33	Applied
Interim financial reporting	34	Applied
Impairment of assets	36	Applied
Provision,contingent liabilities and contingent assets	37	Applied
Intangible assets	38	Applied
Financial instruments: recognition and measurement combination	39	**
Investment property	40	N/A
Agriculture	41	N/A

Name of the BFRS	BFRS No	Status
Share base payment	2	N/A
Business combination	3	N/A
Insurance contracts	4	**
Non-currents assets held for sale and discontinued operation	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments: disclosure	7	**
Operating segment	8	N/A

** Northern General Insurance Company Limited management has followed the principles of BAS and BFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline. On the other hand, some disclosures differ with the authoratative directions as mentioned in note 2.3.

Managing Director & CEO | Director | Director | Chairman